Montrose Settlements Restoration Program Trustee Council
Summary
September 20, 2006 Trustee Council Meeting
Long Beach, California

The following primary and alternate Montrose Trustee Council (“Council”) members were present:

<table>
<thead>
<tr>
<th>Primary Member</th>
<th>Agency</th>
<th>Alternate Member</th>
<th>Agency</th>
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<tbody>
<tr>
<td>Jen Boyce</td>
<td>NOAA</td>
<td>Suzanne Goode</td>
<td>CDPR</td>
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<tr>
<td>Patty Velez</td>
<td>CDFG</td>
<td>Kate Faulkner</td>
<td>NPS</td>
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<td>Julie Yamamoto</td>
<td>CDFG</td>
<td>Jim Haas</td>
<td>USFWS</td>
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<tr>
<td>Jennifer Lucchesi</td>
<td>CSLC</td>
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Also attending:

<table>
<thead>
<tr>
<th>Member</th>
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<tbody>
<tr>
<td>Greg Baker</td>
<td>MSRP Staff</td>
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<tr>
<td>Dave Witting</td>
<td>MSRP Staff</td>
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<tr>
<td>Annie Little</td>
<td>MSRP Staff</td>
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<tr>
<td>Milena Viljoen</td>
<td>MSRP Staff</td>
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<tr>
<td>Gary Gorman</td>
<td>HB Wetlands</td>
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<tr>
<td>Leena M (sp?)</td>
<td>HB Conservancy</td>
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<tr>
<td>Chris Doley</td>
<td>NOAA Fisheries</td>
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**General Business**

Status of Settlement Accounts as of August 31, 2006 (Draft):

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Balance</th>
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<tbody>
<tr>
<td>DOI NRDAR balance</td>
<td>$38,128,600</td>
</tr>
<tr>
<td>Court Registry Account balance</td>
<td>$19,787,335</td>
</tr>
<tr>
<td>NOAA past costs owed (principle)</td>
<td>-$18,500,000</td>
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<tr>
<td>Estimated NOAA interest as of Aug 05</td>
<td>-$251,672</td>
</tr>
<tr>
<td>Total</td>
<td>$39,164,263*</td>
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*Greg Baker stated these numbers had just been received from Cotton today and there hadn’t been adequate time to review and prepare them. For instance, NOAA’s share of interest since last year still needed to be calculated. Nevertheless, it is clear that there is more in the Court Registry Account than is needed to cover NOAA’s past cost plus interest. Also, taking into account additional interest owed NOAA, and other older past restoration costs, the actual balance of funds available for restoration is closer to $38,000,000.

NOAA is preparing to request an order to distribute $12 million in past damage assessment costs from Court Registry Account to bring the NOAA collections current with the deferred payment schedule. This will probably occur by year’s end. We could order that the excess funds in the Court Registry Account (not needed to cover NOAA costs plus interest) be transferred to the DOI NRDAR where they’d earn more interest. This amount is estimated to be somewhat more than $500,000.

The Trustees approved for the record the previously prepared meeting summaries distributed prior to the meeting.

**Trustee Council MOU**

- Almost ready to circulate to Trustee Agencies for signature. MOU needs signatures from higher management in each agency.
- Comment: Need to add SLC to signature page.
- If anyone has any last comments, they should be submitted to Chris Plaisted. He will then distribute the final version for seeking signatures.
Cost Doc Packages

NOAA: all submitted, 2005 not yet certified  
FWS: need 2004 and 2005  
NPS: all submitted; 2005 not yet certified  
CDFG: all submitted; 2005 not yet certified  
CSLC: all submitted, Baker holding on to it  
CDPR: do not plan on submitting for old costs, 2004 & 2005 pending

-McKinley reiterated need for better system for cost tracking  
-Consider having Cotton & Co. only review for red flags and not actually certify packages  
-Cost committee will follow-up on this issue

-NOAA submitted seven cost packages covering costs prior to 2003. They come to approximately $2.3 M. Advance funding received during this period by NOAA was about $1.2, so costs not covered are approximately $1.1. Once final reviews are completed, a resolution will be prepared for the TC to reimburse NOAA for these past costs.  
-FWS will also review for any outstanding costs.

Greg Baker summarized action items from cost doc subcommittee meeting:  
- General rule of thumb for funding activities to facilitate cost tracking is that we should fund projects in annual increments rather than advancing a large amount intended to be spent over several years.  
-MSRP is developing a tracking and projection worksheet to aid budgeting and project management.  
-Chris Plaisted is working on updating the TC cost documentation policy.

Wetlands, Fishing Outreach, and MPA RFAs

The formal RFA announcements went out on Grants.gov in June 2006.  
-4 person review committee (Baker, Witting, Little, Viljoen)  
-Only wetlands proposals received thus far; 2 proposals received: Huntington Beach and Bolsa Chica wetlands  
-We had some questions and in discussions within NOAA determined that there is flexibility on the specifics of the proposals. We are in discussions with both proponents proposals about ways to tailor their requests so they are optimal from the standpoint of MSRP objectives.

Huntington Beach Project

We discussed this proposal with representatives of the project present. The original proposal as submitted was for MSRP funding to pay for Magnolia marsh restoration only. MSRP reviewing team had questions, one being that it appeared to be focused more on bird habitat restoration rather than fish. Witting and Little visited the site on Aug 31, 2006. Leena M? (HB Conservancy), Chris Webb (Moffat & Niccol), Gary Gorman (HB wetland project manager) came to today’s meeting to summarize their plans and work to date, and answer questions. Summary of discussions:

-The Huntington Beach Wetlands master plan is conceptual, room for adjusting.  
-$20 M invested in ocean outlet, Talbert, and other planning and actions taken thus far.  
-40 acres in Magnolia Marsh total, but 36 acres are available for restoration in Magnolia; 7 acres currently slated to become subtidal; can increase that amount if MSRP would prefer greater proportion toward fish habitat.  
-Potential to leverage funds, Coastal Conservancy indicated willingness to cost share.
- Water quality issues: City of HB diverts low-flow into sewer, temporary short-term nutrient increase, report available on website.

- Cost estimates are generous, i.e. err on the side of overestimating costs so that when projects start they have adequate funding. Example is cost for offsite disposal of excess material; plan assumes landfill disposal, but almost certainly a less costly method will be employed.

- Talbert marsh first section to be restored in the 1990s. Shoaling has developed. Clearing sand shoaling in Talbert marsh will increase tidal prism. Logic for proceeding with Magnolia next is that adding it to the system will also increase tidal prism, contribute broader habitat benefits beyond the acreage within Magnolia.

- Frequency of clearing shoaling estimated to be every 3 years; try and time with other dredging projects for cost savings.

- 22% increase in volume at Magnolia Marsh with restoration

- Budget: 3 million, remove levy, channels graded, remove sand plugs

Priority: Talbert remove shoaling. Estimated cost $1M

Bolsa Chica Wetlands

The Trustees discussed the Bolsa Chica proposal, with Bob Hoffman of NOAA Fisheries Habitat Conservation Division present to clarify and answer questions.

- 10 years of O&M, requesting $2.5M from TC; matching funds of $7.5M
- $500K for monitoring, $2M for dredging
- Largest fish restoration project in S.CA
- Requires O&M or will not function
- Will not fund new construction of wetlands

Bob Hoffman answered questions concerning the proposal. On the purpose of the funds requested for maintenance:

- It covers 10 years of salary and benefits for a CDFG position to perform maintenance. Bolsa Chica requires a lot of maintenance day to day, for instance, it has a sophisticated gate system requiring monitoring.
- existing funds: $7.5M- account is broke, Conservancy has not transferred bond money, but will likely be ~10M left in account
- Contractor has now submitted estimate for monitoring. It far exceeds $500K in the proposal: average cost is estimated to be $350K/year (100K is not fish-related). Thus $500K requested through MSRP RFA would not cover more than about 2 years of monitoring.

- Explanation: justify funding maintenance and monitoring rather than new construction in that money buys X many acre years of service.
- Dredging will be done by biological contractor rather than CDFG.

- Idea discussed: Trustees could propose that MSRP funds be used just for dredging, on the rationale that this enables continued services to be provided by the wetlands.

- Identify MSRP would contribute only to dredging events. Currently this is estimated to cost $1.5M per event for 300 K cubic yards of dredging (about 6,000 cubic yards can be dredged per day).

- Bob Hoffman will provide update on monitoring costs.
Reef Construction w/ Port of Los Angeles

Dave Witting and Greg Baker met with the Port of Los Angeles Environmental Division on 8-15-06. Purpose: what is status of their Pt. Fermin reef project? Explain that Cabrillo Pier is looking like a top candidate reef site for MSRP, gauge their reaction and potential interest in collaborating.

- Port was interested in collaboration, suggested that much of the documentation developed for Pt. Fermin could be transferred to Cabrillo site.
- Port centennial anniversary approaching; each division has been requested to propose a special centennial project. Environmental division might use the Cabrillo Pier reef as their Centennial project.
- Start to scope out options for reefs @ Pt. Fermin, breakwater
- Consideration of bringing URS on board to start working on construction design, cost estimates
- MSRP staff will develop SOW and bring proposal to TC from URS (and possibly other contractor(s)) to meeting in November.
- MSRP staff would put together NEPA/CEQA document
- Proceeding with Cabrillo doesn’t negate need to perform analysis on other most suitable reef locations based on fish data and other factors.

Fish Contamination Study Update

- Last batch of mercury data received this week
- Missing 15 samples of organics
- MSRP working on final report; goal to circulate in Dec 2006

SF Zoo Eagle Program

MSRP staff explained that SF Zoo has requested that the Trustees provide funding in 2007 during transition period while their Avian Conservation Center captive breeding program is shut down. This is necessary because it will take some time and effort, and we have a responsibility under the original arrangement, to find homes for the eagles, and close things out.

- SF Zoo provided a cost estimate for running the ACC, in excess of $100,000. TC discussed, and tentatively agreed to include $50K in funding to SF Zoo next year for this ramp down, commensurate with funding we’ve recently provided under the pay-per-chick program. Staff is to convey to the zoo that this is not annual funding, but that the objective is to completely shut down during 2007.
- MSRP staff will continue discussions with Zoo.
- FWS is taking lead on determining where birds will go

Bald Eagle WebCam

Milena summarized our 2006 efforts. The web cam was extremely popular based on number of hits, discussion board. Consider it a way of addressing public concerns in the restoration plan that NCI bald eagles don’t provide the human use benefits that eagles on Catalina do.

One concern raised by TC is such an expense actually covered in the restoration plan. MSRP staff is to look up provisions in the plan to address this concern.
- Estimated cost of $74K for 1st year and then $27K per year after that. Some TC members were concerned about the costs.
- Look at overall amount with respect to NCI Study.
- Revisit at next TC meeting during budget discussions.

Seabird Projects Update

- NPS seabird biologist was hired, Laurie Annie Harvey accepted position.

San Nicolas Island

- Field trial of traps to capture cats was successful.
- Implementation plan and budget will be prepared.
NFWF Update

Greg Baker gave a synopsis of how an agreement with NFWF would be structured. Rather than utilizing the NFWF special account division, we would work with the Federal Programs group. It would be a conventional reimbursable cooperative agreement; their management fee would be no more than 10% of the total project costs. We are awaiting NOAA’s issuance of a Broad Area Announcement, then will begin processing the initial Coop.

-TC approves going forward with NFWF Coop Agreement, with Baja seabird RFP as the initial project, and an initial ceiling of $500,000.

2007 Budget

All Trustees are to submit their draft 2007 budget requests by October 13th (using Excel template on provided on the CD if requests are more complex than simply Council participation), so staff has time to develop comprehensive budget and circulate to TC prior to November 14th meeting.

Next Meeting

Next TC meeting will be November 14, 2006 at Long Beach Federal Building. November 15th there will be a bald eagle technical meeting.

Also, we will conduct a conference call to discuss refinements and follow-up to the wetlands RFA competition on October 19th, 2 PM.