Item 4c

CALIFORNIA OCEAN PROTECTION COUNCIL

Staff Recommendation
June 29, 2016

**Shelter Cove Fish Cleaning Station Remediation**

Cyndi Dawson, Program Manager

**RECOMMENDED ACTION:** Authorization to disburse up to $228,072 to Humboldt Bay Harbor, Recreation and Conservation District to completely remove an existing point source discharge into the King Range National Conservation Area Area of Biological Significance[1] by redesigning the existing fish cleaning station to remediate the bio-waste stream, and adoption of findings under the California Environmental Quality Act.

**LOCATION:** Shelter Cove, Humboldt County, CA

**STRATEGIC PLAN OBJECTIVE(S):** Area D: Coastal and Ocean Impacts from Land; Issue 9: Downstream Impacts.

---

**EXHIBITS**

Exhibit A: Project location and maps

Exhibit B: Site Images

Exhibit C: Support Letters

Exhibit D: Humboldt Bay Harbor, Recreation and Conservation District's Notice of Exemption under the California Environmental Quality Act

Exhibit E: Draft Notice of Exemption for Ocean Protection Council potential action

---

**FINDINGS AND RESOLUTION:**
Staff recommends that the Ocean Protection Council (OPC) adopt the following findings:
"Based on the accompanying staff report and attached exhibits, the Ocean Protection Council hereby finds that:

1) The proposed projects are consistent with the purposes of Division 26.5 of the Public Resources Code, the Ocean Protection Act.
2) The proposed projects are consistent with the Ocean Protection Council's Proposition 1 grant guidelines (adopted September 2015).

[1] http://www.waterboards.ca.gov/publications_forms/publications/general/docs/asbs_kingrange.pdf

3) The Ocean Protection Council has reviewed the Final Notice of Exemption, adopted by Humboldt Bay Harbor, Recreation and Conservation District on March 15, 2016 pursuant to the California Environmental Quality Act and attached to the accompanying staff recommendation as Exhibit D, and finds that section §15303 of CEQA Guidelines "New Construction or Conversion of Small Structures" is appropriate. The Council authorizes staff to file a Notice of Exemption on the Council's behalf citing the same sections as rationale.

Staff further recommends that the OPC adopt the following resolution pursuant to Sections 35500 *et seq.* of the Public Resources Code:

"The California Ocean Protection Council hereby approves the disbursement of up to $228,072 to Humboldt Bay Harbor, Recreation and Conservation District to remediate the fish cleaning station at Shelter Cove operated by the grantee.

Prior to the disbursement of any funds, Humboldt Bay Harbor, Recreation and Conservation District shall submit for the review and written approval of the OPC's Executive Director the following:

1) A detailed work program, including budget and schedule;
2) Evidence that all necessary permits and approvals have been obtained;
3) A plan for signage to acknowledge OPC and Proposition 1 funding."

**PROJECT SUMMARY:**

Humboldt Bay Harbor, Recreation and Conservation District (HBHRCD) is requesting $228,072 in funding from the Ocean Protection Council's (OPC) Proposition 1 Grant Program to implement measures that will stop the ongoing discharge of fish cleaning wastes into the King Range Conservation Area Area of Special Biological Significance (ASBS) in perpetuity. HBHRCD proposes to replace the existing fish waste disposal system by removing the gravity-driven pipe that delivers wastes to the ocean and instituting concession-driven alternatives for the final disposition of fish offal. There will be no associated fisheries-related economic losses from the modifications to this fish cleaning facility, and fishing activities will not be affected or interrupted.

Proposed modifications include:

1. Installation of a water line to connect the fish cleaning station drain to the existing Shelter Cove Resort District's sewer system (for table cleaning water only; solid waste separator will be included);
2. Placement of 20-foot freezer/cooler containers with electrical hookups at Shelter Cove and Eureka;
3. Hiring of seasonal employees (funded by the HBHRCD using matching funds) who will manually separate the fish cleaning wastes into carcass remnants suitable for commercial crab bait and other bio-wastes to be ground up and used in fertilizer amendments. Segregated fish waste solids will be stored in freezer/cooler containers for local pick-up and/or delivery to Eureka.

4. Removal and disassembly of the gravity driven discharge pipe will occur following the successful implementation of the alternative waste disposal system. Removal of the existing pipe apparatus will be planned for "off-season months" so as to not interrupt recreational fishing activities and negatively impact Shelter Cove's economy.

HBHRCD plans that the installation of the new waterline (with solid waste separator) from the fish cleaning station to the Shelter Cove Resort Improvement District's sewer system, subsequent procurement of the freezers, cooler containers and supplies, and the hiring of a seasonal, on-site employee will be completed by May 1, 2017, before the beginning of the busiest time of year for recreational anglers visiting Shelter Cove. As soon as the renovated facility is operational (May 2017), HBHRCD will cease using the current direct discharge pipe to dispose of fish wastes, and will shift to the new waste disposal system, as well as begin monitoring the amounts (numbers of fish, weights) of fish offal that the new system redirects for the concession-based uses of crab bait and fertilizer amendments.

HBHRCD is dedicated to protecting the local economy during the construction and transition phases of this project. HBHRCD will leave the existing discharge pipe in place until after the conclusion of the 2017 fishing season as an "adaptive management option" to ensure that the revamped fish cleaning station has the capacity to process the actual amounts of waste generated without interrupting fishing activities. HBHRCD does not foresee any difficulties or logistical issues to interfere with the exclusive operation of the new waste disposal system at the fish cleaning station based on estimates made during previous years of operation of the fish cleaning station. Following the first complete season of successful operations for the renovated facility (fall 2017), HBHRCD will contract with the California Conservation Corps (CCCs) to assist with the removal and disassembly of the direct discharge pipe apparatus and cabling. HBHRCD expects that the existing discharge pipe apparatus will be completely removed before the beginning of recreational fishing in spring 2018.

**Site Description:**

The California State Water Resources Control Board (SWRCB), designated 34 specific "Areas of Special Biological Significance" (ASBS) in the mid-1970s through the adoption of water quality control plans for regulation of wastes discharged to ocean waters (SWRCB 1979). ASBS's are intended to afford special protection to marine life by banning waste discharges within these designated areas. The prohibition on this activity is further confirmed by the latest iteration of the "California Ocean Plan"[2].

The King Range National Conservation Area ASBS is located primarily in Humboldt County, California, and extends from the mouth of the Mattole River southward to a point near Whale Gulch, four miles south of the Mendocino County line. Shelter Cove, the largest town in the King Range ASBS, is located on the remote southwestern coast of Humboldt County, with a local economy that relies heavily on sport

[2] http://www.waterboards.ca.gov/water_issues/programs/ocean/docs/cop2012.pdf

fishing-related tourism. The ocean off Shelter Cove is extraordinarily productive due to the presence of the Gorda Canyon and consistent upwelling driven by long-shore wind.

This location is the only ocean access for trailer-able boats along an approximately 110 mile stretch of coast. This facility is very popular with boaters and fishermen; and therefore, it has become indispensable to the Shelter Cove economy. HBHRCD has helped maintain boating access at Shelter Cove since the mid-1970s and has assisted with the operation of the existing fish cleaning station since 1988, when funds were provided by the State Coastal Conservancy (SCC) for its construction. The existing station is located on a bluff, approximately 200 feet above the ocean adjacent to the boat launching facility (Exhibit A). Fishermen clean their catch on a table and direct fish waste into a central chute (Exhibit B). The chute leads to a commercial grinder that grinds the fish waste and discharges it to an offshore location via suspended pipe. In 2004, the California Department of Boating and Waterways provided HBHRCD with a $37,000 grant to replace/upgrade the mechanical portions of the facility insuring its continued safe and effective use.

The Humboldt Bay Harbor, Recreation and Conservation District (HBHRCD) has obtained a long term 20 year lease agreement from the land owner, Mr. David Tefler-Smollett proprietor of Mario's Marina LLC, for the operation of the boat launch facility including the fish cleaning station.

**Project History**

Beginning in 2005, the SWRCB initiated a dialogue with the HBHRCD calling for the cessation of the point-source discharge of fish waste into the ASBS at Shelter Cove. After studying multiple alternatives, including closing the fish cleaning station to the public, and sewering all fish cleaning wastes, HBHRCD concluded that maintaining the existing fish cleaning station was the most viable alternative. In March 2010, HBHRCD requested a conditional waiver to allow for the continuation of fish waste discharges, and proposed an adaptive management solution including the adoption of a "Shelter Cove Fish Cleaning Station Biological Monitoring Plan" and incorporation of "Best Management Practices" for the cleaning station (HBHRCD 2010).

The SWRCB subsequently denied the HBHRCD request for a conditional waiver and reemphasized that the HBHRCD must move forward to cease the fish cleaning station discharges into the ASBS as mandated by the California Ocean Plan (SWRCB 2010). Since 2010, HBHRCD has been working with the local Shelter Cove community and resource agencies to identify the most feasible solution to ending the discharge of fish wastes without incurring economic damage to the community.

**PROJECT FINANCING**

| | |
|---|---|
| Proposition 1 | $228,072 |

| | |
|---|---|
| Humboldt Bay Harbor, Recreation & Conservation District (in-kind) | $114,619 |
| TOTAL | $342,691 |

The expected source of Ocean Protection Council funds for this project is the fiscal year 2015-16 appropriation to the Natural Resources Agency pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1, Water Code §79700 et. seq.). Funds appropriated to the Natural Resources Agency derive from Chapter 6 (commencing with §79730) and may be used "for multibenefit water quality, water supply, and watershed protection and restoration efforts for the watersheds of the state" (Water code §79731). Section 79732 identifies specific purposes of Chapter 6, which include the reduction of pollution into coastal waters, protection of nearshore ecosystems, and protection of economic benefits arising from healthy fishery resources.

The proposed project is an appropriate use of Proposition 1 funds because it has multibenefits and will permanently remove an identified point source discharge that has caused documented negative effects to the surrounding nearshore ecosystem and marine populations, including seabirds. The benefits of the project are improved water quality, removal of fish bio-waste from Shelter Cove that has caused the contamination and fouling of over 200 seabirds, and the return of a natural chemical and physical water regime to the nearshore ecosystem in and around the cove that will likely benefit multi-species.

The proposed project was selected through a competitive grant process under the Ocean Protection Council's *Proposition 1 Grant Guidelines* adopted in September 2015 ("Prop 1 Guidelines") (see §79706(a)). The proposed project meets each of the evaluation criteria in the Prop 1 Guidelines as described in further below.

**CONSISTENCY WITH CALIFORNIA OCEAN PROTECTION ACT:**

The proposed project is consistent with the Ocean Protection Act, Division 26.5 of the Public Resources Code, because it is consistent with trust-fund allowable projects, defined in Public Resources Code Section 35650(b)(2) as projects which:

(A) Eliminate or reduce threats to coastal and ocean ecosystems, habitats, and species

(C) Foster sustainable fisheries, including grants or loans for one or more of the following:

(ii) The design of community-based or cooperative management mechanisms that promote long-term stewardship and collaboration with fishery participants to develop strategies that increase environmental and economic sustainability.

(D) Improve coastal water quality.

(E) Allow for increased public access to, and enjoyment of, ocean and coastal resources, consistent with sustainable, long-term protection and conservation of those resources.

(F) Improve management, conservation, and protection of coastal waters and ocean ecosystems.

(H) Protect, conserve, and restore coastal waters and ocean ecosystems, including any of the following: (ii) Acquisition from willing sellers of vessels, equipment, licenses, harvest

rights, permits, and other rights and property, to reduce threats to ocean ecosystems and resources.

**CONSISTENCY WITH THE OPC'S STRATEGIC PLAN**:
The results of the project will primarily implement Focal Area D: Coastal and Ocean Impacts from Land and specifically addresses Issue 9: Downstream Impacts. This project supports efforts to improve understanding of or reduce the impacts of water pollution on marine managed areas and other critical ocean resources.

**CONSISTENCY WITH THE OPC'S PROPOSITION 1 GUIDELINES:**
The following are the criteria that were applied to the applications in either the Letter of Intent or full proposal stage of the evaluation.

**Chapter 6 of Proposition 1 purposes**:
Purpose 1: Protect and increase the economic benefits arising from healthy watersheds, fishery resources, and instream flow
Purpose 10: Protect and restore coastal watersheds, including, but not limited to, bays, marine estuaries, and nearshore ecosystems
Purpose 11: Reduce pollution or contamination of rivers, lakes, streams, or coastal waters, prevent and remediate mercury contamination from legacy mines, and protect or restore natural system.

**OPC's Key Issue Areas for Prop 1 Funding**: **-Marine Managed Areas and Coastal and Ocean Water Quality Impacts:** This project improves ability for a marine managed area (MMA) to meet its statutory goals, and reduces pollution and contaminants entering the marine ecosystem.

**Multi-benefits**: The benefits of the project are improved water quality, removal of fish bio-waste from Shelter Cove that has caused the contamination and fouling of over 200 seabirds and the return of a natural chemical and physical water regime to the nearshore ecosystem in and around the cove that will likely benefit multi-species. The project will also improve coastal access and support the local marine economy which Shelter Cove is highly dependent on.

**Ability to adapt to impacts of climate change**: The proposed project location is on bluffs approximately 200 feet above sea level, and as such will not be vulnerable to sea level rise, flooding, inundation, or storm surges expected during the next 100 years. Erosion of the existing shoreline will likely occur during the next 100 years, but the project has low vulnerability due to being situated away from the shoreline, and at an elevation well above sea level.

**California Water Action Plan Goals**: Action # 4-"Protect and restore important ecosystems." The existing practice of discharging fish wastes into the coastal waters of the King Range National Conservation Area ASBS will cease as a result of this project. The King Range National Conservation Area ASBS was designated in 1974, and the fish cleaning station has been in

operation since the 1980's. ASBS's support an unusual variety of aquatic life (often unique individual species) and are basic building blocks for a sustainable, resilient coastal environment and economy.

**Removes or reduces multiple stressors to the environment**: This project will eliminate the ongoing, point-source pollution (direct discharge of fish cleaning wastes) into ocean waters and the coastal environment of the King Range National Conservation Area ASBS.

**Utilizes green infrastructure, natural systems, or systems that mimic natural systems**: This project will utilize the vast majority of the fish waste for crab bait to be sold to crab fishermen and the remaining solid waste as fertilizer amendments. This will reduce the overall amount of fish offal needing to be disposed of and only the residual table water will be sewered. None of the fish offal or carcasses generated at the fish cleaning station will be sent to the landfill; these "waste products" will be utilized in natural systems and to fulfill existing needs for crab bait and composted fertilizer.

**New, innovative, or proven technologies or practices**: This utilizes an innovative approach of creating a self-funded concession at the port that will support the long-term sustainability of the outcomes achieved from this project.

**Sustainable outcomes**: The HBHRCD Governing Board has passed a resolution certifying that the applicant has sufficient funds to operate and maintain the project.

**Ability to begin implementing the project in timely fashion**: HBHRCD states that it can begin implementing the project as soon as funding is made available. HBHRCD issue a Notice of Exemption on March 15, 2016 and surveys for archaeological resources are underway. HBHRCD states that it plans for the majority of construction to be completed before May 1, 2017.

The subject parcel (APN#10817123) is zoned "CDR-Q/AP, A, D". The acronym CDR stands for Coastal Dependent Recreation and the marina and fish cleaning station are principally permitted uses. However, the A and D combining zones refer to Special Archaeological Resource Areas and Design Review. The Design Review combining zone requires that a Special Permit be secured for new development. This is a separate permit apart from the CDP that can be processed administratively without need for hearing in most cases. OPC has received details from the contractor that is conducting the required Archaeological work and has determined he possess the appropriate qualifications and knowledge to conduct the work. OPC has also received notice from the Bear River Band of Rohnerville Rancheria of their support of the project and involvement in monitoring the archaeological survey work. OPC will continue to track the progress of this work to ensure all requirements are met and the tribe is informed and engaged throughout. After the results of the archaeological work are available we will require the submittal of the additional permit prior to approving any work on this project.

**Provide mapping/data that can enhance current understanding**: Not applicable.

**Demonstrates solutions that can be implemented regionally and/or statewide**: The utilization of fish waste from recreational fish cleaning stations and education of recreational fishermen on the negative impact of fish waste are important environmental and economic issues in many coastal communities. Many coastal communities rely on the income generated by fishing-related tourism. This project can be a model for other locations because it provides an integrated solution of utilizing the fish waste while preserving the cleaning station.

**Demonstrates experience successfully implementing similar projects or demonstrates appropriate and necessary partnerships to complete the project**. HBHRCD oversees planned development of the harbors and ports within Humboldt County, as well as protection of the natural resources. It is a countywide agency with permit jurisdiction over all tide, submerged and other lands granted to the District, including all of Humboldt Bay. They have successfully implemented many infrastructure projects throughout their jurisdiction of similar scale and scope to the proposed project.

**Consistent with best available science**: Fish bio-waste is a natural pollutant, but when accumulated over time, can affect oxygen levels, salinity, temperature, pH levels, and the overall abundance of organisms in sea water[3]. Marine environments adjacent to fish waste disposal sites are at risk for anoxia (dissolved oxygen depletion), algae blooms, and other harmful effects such as contamination of sea birds. In addition, the infiltration of fish bio- wastes can affect the food web of surrounding marine environments, especially when present in large amounts[4]. The proposed project will completely eliminate a known point source discharge into an ASBS permanently and improve water quality significantly.

**Demonstrates a clear and reasonable method for measuring and reporting effectiveness of project**: Total removal of discharge will be easily assessed visually by confirming the permanent removal of the discharge pipe and relocation of the fish cleaning station away from the bluff.

**Likelihood of project to fulfill its stated objectives**: HBHRCD has been involved with administering the Shelter Cove fish cleaning station and public fishing access since the late 1980's, and with that breadth of experience, is uniquely qualified to manage and implement this project successfully. Mr. Jack Crider is the Executive Director of HBHRCD, with 25 years of experience in managing Marine Port Authorities and associated marina operations. Mr. Adam Wagschal, Deputy Director of HBHRCD, has accrued 15 years of experience as a professional fisheries biologist and environmental consultant, specializing in marine conservation issues. HBHRCD is committed to remediating the discharge from the fish cleaning station into the ASBS. The HBHRCD is proposing a solution for this issue that involves funding from OPC to purchase and install the required equipment. The HBHRCD will fund the maintenance, permitting, grant administration, and planning portions of the project with the goal of attaining a self-sustaining solution through sales of the carcasses for crab bait and fish offal for fertilizer.

[3] https://seagrant.uaf.edu/nosb/papers/2011/kodiak-turbidites.php;

[4] http://www.sciencedirect.com/science/article/pii/S0025326X04000384

This project relies on the funding of the OPC for the initial investment, enabling the HBHRCD to divert the fish waste away from the ASBS and keep it out of the landfill while utilizing the waste for known demands. The HBHRCD is committed to funding their portion of the project dependent on the award of the OPC funding.

**Community support as well as support from outside local area**: Support letters have been received from: United States Congressman Jared Huffman; California State Senator Mike McGuire; California Assemblyman Jim Wood, Humboldt County Supervisor; 2nd District Estelle Fennell, Humboldt Baykeeper; Mario's Marina, LLC; David Harris, local gardener group/resident; Bear River Band of Rohnerville Rancheria and Shelter Cove Resort Improvement District.

**Bonus points:**

**Marine Managed Areas:** This project advances the management individual marine managed areas (MMAs) or the statewide MMA network for the reasons outlined above.

**Disadvantaged community**: Shelter Cove is a disadvantaged community place as defined by the California Water Code §79505.5a and §79735c. Shelter Cove's Place ID Number is 0671372.

**COMPLIANCE WITH CEQA:**
HBHRCD filed a Notice of Exemption on March 15, 2016 citing categorical exemptions of "new construction or conversion of small structures" under Section 15303 of the CEQA guidelines (New Construction or Conversion of Small Structures). Ocean Protection Council staff concur that a categorical exemption is appropriate because the proposed project is removing existing structures and construction meets the definition of a "small structure" under CEQA. If the Ocean Protection Council approves disbursement of funds for this project, staff will file a Notice of Exemption (in draft form as Exhibit E).