

STATE CAPITOL COMMITTEE
General Administration Building, Room 207
Olympia, Washington
June 30, 2011
10:00 a.m.

Minutes

(Approved: March 29, 2012)

MEMBERS PRESENT

Brad Owen, Lieutenant Governor
Sam Reed, Secretary of State
Peter Goldmark, Commissioner of Public Lands
Marty Brown, Governor Gregoire's Designee

OTHERS PRESENT:

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| Buccarelli, Kim, GA | Larson, Gary, Citizen |
| Casey, Martin, GA | Lewandowski, Steve, OFM |
| Clay, Noel, U.S. Army Corps of Engineers | McDonald, Patrick, SOS |
| Danfurth, Shari, Representative Adam Smith's Office | Miller, Allen, Citizen |
| Elmore, Zach, WSP | Murphy, Sean, Senator Patty Murray's Office |
| English, Mike, Senator Maria Cantwell's Office | Noble, Ron, GA |
| Fraser, Karen, WA State Senate | O'Connell, Emmett, NWIFC |
| Friddle, Steve, City of Olympia | Patnude, Sue, PERT |
| Gow, Tom, Puget Sound Meeting Services | Mike Reid, Port of Olympia |
| Hargrave, Bernie, U.S. Army Corps of Engineers | Stevens, Naki, Department of Natural Resources |
| Henderson, Tom, GA | Turner, Joyce, GA |
| Hildreth, Shari, Representative Jaime Herrera Beutler's Office | Veneroso, Lisa, WA State Department of Fish & Wildlife |
| | Wubbena, Bob, CLIPA |

Welcome and Introductions

Lieutenant Governor Brad Owen called the State Capitol Committee (SCC) meeting to order at 10:00 a.m. A quorum was present.

The meeting agenda was published in *The Olympian*.

Approval of Agenda

Marty Brown moved, seconded by Secretary Reed, to approve the agenda as published. Motion carried.

SCC will review two items on the Agenda for Action: Approval of the October 12, 2010 draft Minutes, and the Approval of 2011 Schedule; three items for Information: GA Director's Report, GA Facilities Report, and the Puget Sound Nearshore Ecosystem Restoration Project Process.

Approval of Minutes – October 12, 2010

Secretary Reed moved, seconded by Commissioner Goldmark, to approve the October 12, 2010 minutes as presented. Motion carried.

Approval of 2011 Schedule

Joyce Turner, Director, Department of General Administration (GA), advised that the schedule is subject to change based on the availability of members.

Marty Brown moved, seconded by Secretary Reed, to approve the 2011 meeting schedule as presented. Motion carried.

Director's Report

Ms. Turner reported the department's efforts are focused on downsizing and reducing to meet the needs of state government. The agency is approximately 20% smaller than three years ago. GA is continuing to make additional cuts. On Capitol Campus, GA has reduced mowing and limited plantings and will shut down Trivoli Fountain, saving the state approximately \$70,000. Most of the ongoing activities relate to safety. GA is postponing any work that is not necessary. Downsizing in staff continues, which will impact the landscape on Capitol Campus.

Ms. Turner reported GA's operating budget experienced cuts of 10% to 12% in different areas. The Legislature passed ESSB 5931 creating the Department of Enterprise Services, consolidating GA, the State Printer, and parts of the Office of Financial Management (OFM), the Department of Information Services (DIS), and the Department of Personnel into one department effective October 1, 2011. Employees are scheduled to begin moving from the GA Building to the new 1500 Jefferson Building (Wheeler). The first move is scheduled during the weekend of July 16. Because of those moves, other moves under the Thurston County Realignment Program are planned to consolidate the Departments of Employment Security and Social and Health Services to save \$5 million over 10 years. The consolidation is moving forward and will be completed by July. Other moves and consolidations are underway as well within the next several weeks creating some vacant buildings in downtown Olympia to include the Franklin Building, which is scheduled for disposal. Another building on the campus that is vacant is the old IBM Building because of structural deficiencies and mold issues. At some point, the department will request resources to demolish the building.

GA Facilities Report – Status Report

Tom Henderson, Assistant Director, GA Facilities Division, provided a report on GA facilities. While most of the budget reductions were effective in the 2011 Supplemental Budget, the department is experiencing other reductions on campus. GA consolidated the campus from eight to four zones, reducing management positions, and increasing the size of the teams. Many maintenance items are delayed to include the cleaning of the capitol dome. GA encouraged retirements and did not fill positions in response to reduced funding. Additionally, many agencies no longer have funds for reimbursable projects and are delaying projects that were traditionally performed by GA staff.

Because of reduced revenues, the state's General Obligation Bond capacity decreased significantly impacting GA as well as Capitol Campus. Most impacted is Engineering and Architectural Services, which provides public works authority to all state agencies. The appropriation was reduced from \$9.3 million to \$7 million. Many state agencies are receiving less in their respective appropriation and many appropriations were adjusted to reflect a 10% to 15% reduction, which impacts GA staff creating a need to restructure public works projects to include changes in project designs to remain within the budget.

Work on the O'Brien Building continues and is nearing completion by the end of the year. During the last biennium, direct appropriations enabled many Capitol Campus projects totaling \$39 million. For FY 11-13, GA received only \$16.8 million. GA is concentrating on life safety, stewardship, and sustainability projects. Some funds are available for the roof and flashing project on the Legislative

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Building as well as a leak that needs to be resolved. One of the highest priority projects is a new roof on the Natural Resources Building. GA recently completed reroofing the Labor & Industries Building in Tumwater. Two other areas of importance is a \$200,000 appropriation to begin the permitting and investigation required for dredging Capitol Lake. GA is examining the cost implications associated with dredging and will be meeting with all partners during the process because permitting is a very complicated process. It is anticipated that more efforts will continue in the fall after completion of the move to the Jefferson Building

GA received \$150,000 to complete pre-design work to redesign the GA Building, update cost issues and review programming issues, and completing some seismic studies. There is 50,000 square feet for the State Library, 50,000 square feet for the Heritage Center, with the remaining square footage for Washington State Patrol and other agencies. Additionally, funds were provided to support the archives program at the OB2 Building as the DIS moves to the new building.

Commissioner Goldmark asked about the GA Building proposal, and how it relates to other plans for housing the Heritage Center. Secretary Reed referred to a meeting with Senator Fraser prior to the end of the session along with Director Turner to consider the study because it keeps the concept of the Heritage Center active although many did not believe the proposal was very practical. However, it's important to keep the possibility active and moving forward.

Lt. Governor Owen welcomed and acknowledged Senator Fraser.

Senator Fraser added that it will take time to accumulate funds for building a new Heritage Center building. The GA Building proposal is a fall-back idea of considering whether the building could be adapted for Heritage Center and other uses and whether it's seismically safe. Some repair work occurred after the Nisqually earthquake. However, the building was not assessed for seismic safety. Secretary Reed noted that during the meeting, Mr. Brown pointed out that the building has been studied many times. Part of the work is reviewing the previous studies and determining the practicality of reusing the building. The building was constructed in 1955 for a lifespan of 50 years. Any work would entail a major renovation. The 1992 study included a major renovation. Mr. Henderson said the seismic issue is a major factor as to whether it's possible to extend the lifespan another 50 to 75 years. The funds allocated for the project limit the scope of the study.

Puget Sound Nearshore Ecosystem Restoration Project Process – Status Report

Lt. Governor Owen introduced Bernie Hargrave, U.S. Army Corps of Engineers and Lisa Veneroso, Department of Fish & Wildlife. Mr. Hargrave introduced Noel Clay, Chief of Planning, U.S. Army Corps of Engineers.

Mr. Hargrave provided an overview on the Puget Sound Nearshore Ecosystem Restoration Project. The Corps of Engineers is the federal government's largest water resources development and management agency, representing federal interests in commercial navigation, flood risk management, ecosystem restoration, and a variety of land-based and aquatic resource needs. Part of the Corps' mission is working with local communities and sponsors to meet water resource needs where there is both a local and national interest.

Non-federal sponsors can be state agencies, tribes, county, local government, and other agencies. As a result of federal legislation in the Water Resource Development Act of 2007, non-profit agencies can also be non-federal sponsors. Sponsors share in the financial cost of studies and projects, provide lands and other real estate interests required for the project, and are responsible for operations and maintenance

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costs after construction. For example, Department of Fish and Wildlife is sharing a 50% cost for the Nearshore Program for all study costs.

The sponsor is a member of the Project Delivery Team (PDT) and plays a key role throughout the entire project development process. In the Nearshore Ecosystem Restoration Project, eight agencies are involved to include five state agencies, several non-profits, and some limited involvement by an aquatic commercial firm.

When the study first began, there was acknowledgement in the difficulty of describing the 2,500 miles of convoluted shorelines within inland waters of Puget Sound. Subsequently, a common naming convention was developed, which proved to be invaluable because of the complex and diverse shoreforms of Puget Sound. There was recognition of open beaches of the shoreline and the bluffs, which serve as a critical function to continue to nourish beaches with sand, gravel, and silt.

As the various shoreforms were examined, approximately 828 categories of process units were identified along the shoreline. One of the major issues is barriers in large river deltas restricting the movement of freshwater and tides having profound effects on the ecological system in the area. Coastal inlets have encountered a great deal of degradation and impairment. Armoring along beaches and bluffs has prevented the movement of sand and gravel onto beaches. River deltas have been especially impacted by the elimination of nearshore wetlands with the shoreline becoming shorter, simpler, and more artificial. The impacts have been profound in Puget Sound. Great bodies of wetlands can be found in river deltas, which have largely been eliminated especially in the Deschutes River.

After identification of the problems in Puget Sound, the next step included examining 800 different ideas that local restoration planners presented to the study team. Each option was examined in great detail to include whether it was the appropriate action in the right location to improve the ecological performance of the Sound. A relatively limited number of sites survived several different screenings. Further screenings are determining what sites have profound implications at a federal scale that would have national authorization for a new Corps' authorization. Budd Inlet includes several sites.

Mr. Hargrave shared historical context of the Corps role and participation in Budd Inlet. That involvement included Congress asking the Corps to survey, construct, and maintain federal navigation channels in Budd Inlet in Olympia that now serve Port of Olympia. There were a series of river and harbor acts in the late 1800s and 1900s. Under the Rivers and Harbors Act of 1899, the Corps has regulatory responsibilities, which will have impacts on Capitol Lake. The Corps has examined different sites since 1962 under Section 209 of the Rivers and Harbors Act of 1962.

In terms of Capitol Lake, the Corps has three roles:

- Navigation
- Regulatory
- Ecosystem restoration

The Corps recognizes that Capitol Lake and the Port of Olympia are inherently tied together largely because of natural processes involving freshwater tidal flows and sediment transports. The authorized project has been in effect since 1927 under the Rivers and Harbors Act for an authorized depth of 30 feet. As part of the 100% federally funded maintenance of the federal channel, the first dredge occurred in 1973 and again in 2007. By comparison, Seattle Harbor has been dredged nearly every year and Everett

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Harbor is dredged approximately every three years. Annual dredge decisions are largely based on commercial use and sedimentation patterns within federal channels. In Olympia Harbor, one of the major issues is contaminated sediments.

The Corps is focusing on Deschutes River because it's one of 16 large rivers in Puget Sound where ecosystem restoration could have profound effects on the health of Puget Sound. A recent analytical examination of the potential benefits reveals that the Deschutes River offers one of the highest beneficial places for natural process restoration. Despite those benefits, the restoration of the Deschutes River delta will be one of the most costly because of contamination clean-up and avoiding the dispersment of invasive species. There are three primary forms of contamination including Purple loosestrife, benzoic acid, and within the lower reaches of the historic river delta, dioxins are found near the Port of Olympia.

Lt. Governor Owen asked whether the sources of contamination have been identified. Mr. Hargrave said in terms of the dioxin contamination, there have been several clean-ups by the Department of Ecology near the Port of Olympia. However, dioxins have returned. During actions to deal with the mudsnail invasion by opening the gates at 4th Avenue sediments discharged from Capitol Lake into the Port of Olympia. In some areas, the amount of dioxin reduced. However, when the gates were returned to full operation, dioxin returned. It appears the source of dioxin is in the adjacent uplands and within sediment. The source of the contamination hasn't been identified.

There are two probable sources for benzoic acid from either brewery discharges or pulp mills. The last evidence of contamination was during the 1996 testing.

Ms. Veneroso added that the presentation is the Corps' perspective in how the Deschutes estuary was factored into the Puget Sound Nearshore Ecosystem Restoration Program. Some of the details on the questions pertaining to contamination could be better served by another presentation from state agencies because of the volume of information on the topic.

Lt. Governor Owen said it appears the Corps proposal speaks to what should or could be done and the issue is how that conclusion can be attained unless the source of the contamination is identified and what could occur if the dam is removed. Ms. Veneroso said that currently, the presentation is meant to inform the committee on how the Corps included the Deschutes estuary within the study. Currently, the process is at the initial step of identifying all the problems that any one site may have to help form the basis for its selection as a restoration site. The next steps for the 26 initial sites that have been identified is the final selection and why. Contaminates for this site is one factor of many.

Mr. Hargrave reported the Deschutes River is one of several candidates of a National Ecosystem Restoration Plan as part of a feasibility report that is presented to Congress for a future authorization to pursue future ecosystem restoration around Puget Sound. The non-federal sponsor team is included. The Corps recognizes the importance of briefing the SCC and will present its findings in the future.

Senator Fraser commented that based on the selection of the site within the program; there are concerns with the planning process and the substance of the alternatives that would be considered. In this case, involvement with the public is very important as Capitol Lake is a divisive issue within the community. It could be termed as a polarizing issue. In terms of substance, there may be concerns that if the recommendation and the funding are to remove the dam, there is ongoing federal funding support to maintain the navigation channel and the turning basin for the Port of Olympia. Another issue surrounding the selection of the plan is that there is consideration about the heritage of the state. The Corps approved the Capitol Lake project as a reflecting lake for the Capitol Building, which is an important part of the

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state's heritage. When the planning process begins, it's important to incorporate heritage, community impacts, business activity, aesthetics of the area, and local lifestyles. In the recent study, those elements were not weighted as heavily.

Mr. Hargrave acknowledged that local community involvement is included in the study plan and is clearly the way the study has been conducted since the beginning. Additionally, there is the National Environmental Policy Act (NEPA) that requires formal public outreach. Initial scoping meetings were held throughout Puget Sound several years ago. As a recommended plan is formalized, a formal NEPA process will be completed for presentation of the plan resulting in an Environmental Impact Statement, which involves community participation. He added that under the old Rivers and Harbors Act, maintenance dredging for the federal channel is funded 100% by the federal government. However, that is not the current federal policy for all federal channels in a navigation arena. In a navigation policy at the federal level and if the Corps were to receive reauthorization, the cost share requires local participation. Senator Fraser said that issue needs to be considered within the planning process.

Mr. Hargrave referred to heritage, community, aesthetics, and lifestyle and confirmed that those issues will play an important part. One of the alternatives that resulted from the Capitol Lake Adaptive Management Plan (CLAMP) process included a smaller reflective pool. The concept of heritage and historic character both prior to the lake created by the 4th Avenue dam and after have to play a part. The work during the summer will narrow the selection of the sites for seeking federal authorization.

Secretary Reed asked why the SCC has not been involved up to this point as it has oversight over the campus and Capitol Lake. Mr. Hargrave acknowledged that there has been some correspondence about that issue and that it was a misstep. Initially, the Corps sought input on restoration ideas around the Sound. Capitol Lake was offered as one site. As there were state agencies involved at that time, it appeared that all parties were involved. The Squaxin Island Tribe expressed interest as a proponent for inclusion. Up to this point, efforts have focused at the desktop level with no field studies or other studies undertaken. He apologized for any miscommunication with the committee.

Ms. Veneroso added that there were two major efforts underway pertaining to Capitol Lake and the Deschutes River estuary. The CLAMP Steering Committee studied whether restoration was feasible, and if so, could it be done to benefit the ecological system. The conclusion was that it could be done and the CLAMP Steering Committee rendered a recommendation. A parallel process under the Puget Sound Nearshore Ecosystem Restoration Project has been underway for over 10 years comprised of a partnership of entities and individuals with no regulatory authority with a profound science background dedicated in determining what is necessary to restore the nearshore systems of Puget Sound. Work has been underway for the last 10 years to identify what is impairing the function and what can be accomplished to restore the system. Currently, the partnership is at a point of assessing and making recommendations. The list of 26 projects will likely be reduced to approximately six projects that will move forward for Congressional action.

Secretary Reed said that during each update by the CLAMP Steering Committee, SCC members responded with questions about addressing the upper river, which is contributing to contamination as well as cleaning up Capitol Lake. He asked whether the Corps is considering how addressing upper river contamination is affecting the lake and Puget Sound. Mr. Hargrave said the nearshore study's focus has been on looking at the historic character and comparing it to current conditions and what it could be in the future. There has been focus on physical changes rather than chemical or other contributing factors relating to water quality. The Corps has not looked at the upper watershed from a water quality perspective but rather how has it changed the physical process in the estuary. If the Corps finds that it is

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unable to fully characterize what should occur in the estuary because of a lack of understanding water quality issues, the Corps will recommend conducting those studies to the point where those studies might affect seeking authorization. It may mean delaying the site and removing it from the list and pursuing studies as part of the implementation steps. The Corps has not considered preserving Capitol Lake because it is counter to the issue of degradation of tidal processes that has profound changes in the ecological system.

Senator Fraser commented that there are concerns about water quality and the question is whether the approach is whether the solution to pollution is through dilution or is the solution to reduce the pollution. There is a big difference. There are many stormwater outfalls and other contributing factors to water quality. The state is undertaking a Total Maximum Daily Load study. Water quality is important and it would be appropriate to include a water quality element.

Lt. Governor Owen said the process appears to be the similar to the last process in that there is a pre-determined outcome of an estuary. He questioned how that determination can be rendered without considering pollution as well as the impacts of what could occur if the dam is removed. As the process moves forward, those issues will be conveyed by both the committee and the community. He questioned how the process cannot include a lake option, as it's an important part of the heritage of the area and an element that should be part of the process.

Ms. Veneroso affirmed that the committee's concerns will be addressed at the next step of considering the selection of sites that may be submitted to Congress for authorization for restoration of Puget Sound. This project is solely a nearshore restoration project, which is substantial in its own right. The water quality issue for the area is substantial and DOE has taken a lead in addressing those issues. The issue of water quality will be factored in the final decisions. However, the Corps is not equipped to provide that information at this time.

Mr. Hargrave said another option the Corps can provide to address watershed-scale issues is a General Investigation Study of the river. Most recently, the Corps has signed agreements for work on the Puyallup River, Skagit River, and other rivers in the state. That is always a possibility for the Deschutes River.

Other Business

Secretary Reed asked about the future responsibility and support for the SCC. Ms. Turner said DES is assuming responsibility for support of the SCC. The appointment of the DES Director is pending by the Governor.

Secretary Reed announced that the Office of the Secretary of State, GA, as well as others, are commemorating the 100th year anniversary of the Wilder & White Capitol Design Centennial from August 3-7.

Adjournment

With there being no further business, Lt. Governor Owen adjourned the meeting at 11:06 a.m.