



**JOINT
STATE CAPITOL COMMITTEE**
Lieutenant Governor Brad Owen
Governor Inslee's Designee Kelly Wicker
Secretary of State Kim Wyman
Commissioner of Public Lands Peter Goldmark

and

CAPITOL CAMPUS DESIGN ADVISORY COMMITTEE MEETING
Dennis Haskell, Alex Rolluda, Jonathan Taylor, Susan Olmsted
Secretary of State Kim Wyman
Senator Karen Fraser, Senator Ann Rivers
Representative Sam Hunt, Representative Drew MacEwen

**John A. Cherberg Building
Conference Rooms A, B & C
304 15th Avenue SW
Olympia, Washington 98504
December 11, 2014
11:00 a.m.**

(Approved: July 20, 2015)

SCC MEMBERS PRESENT

Brad Owen, Lieutenant Governor (Chair)
Peter Goldmark, Commissioner of Public Lands
Kelly Wicker, Governor's Designee
Ken Raske (for Secretary of State Kim Wyman)

CCDAC MEMBERS PRESENT

Senator Karen Fraser
Susan Olmsted
Jonathan Taylor
Representative Drew MacEwen

OTHERS PRESENT

Ernesta Ballard, William D. Ruckelshaus Center
Leonard Bauer, City of Olympia
Rick Browning, Department of Enterprise Services
Kim Buccarelli, Department of Enterprise Services
Stephen Buxbaum, City of Olympia
Kenneth Camp, Office of the Lt. Governor
Bob Covington, Department of Enterprise Services
John DeMeyer, Olympia Yacht Club
Jeff Dickison, Squaxin Island Tribe
Jim Erskine, Department of Enterprise Services
Rachel Espinosa, William D. Ruckelshaus Center
Valerie Gow, Puget Sound Meeting Services
Jack Havens, Capitol Lake Improvement & Protection Association
Andy Hobbs, The Olympian
Rich Hoey, City of Olympia

Chris Liu, Department of Enterprise Services
Dani Madrone, Deschutes Estuary Restoration Team
Carrie Martin, Department of Enterprise Services
Michael Matlock, City of Tumwater
Allen Miller, Capitol Lake Improvement & Protection Association
Lenore Miller, Department of Enterprise Services
Brian Nguy, Department of Enterprise Services
Emmett O'Connell, Northwest Indian Fisheries Commission
Chris Page, William D. Ruckelshaus Center
Dave Peeler, Deschutes Restoration Team
Scott Perkins, Office of Financial Management
Ray Peters, Squaxin Island Tribe
John Rosenberg, Deschutes Estuary Restoration Team
Christine Sanders, William D. Ruckelshaus Center
Bonnie Scheel, Department of Enterprise Services

JOINT SCC/CCDAC MEETING MINUTES

December 11, 2014

Page 2 of 9

Anthony Ifie, Department of Enterprise Services
Bob Jacobs, Heritage Park Association
Marygrace Jennings, Department of Enterprise Services
Nathaniel Jones, City of Olympia
Michael Kern, William D. Ruckelshaus Center
Nouk Leap, Department of Enterprise Services
Jim Lengenfelder, Capitol Lake Improvement & Protection Association

Alexandra Smith, Port of Olympia
Nicole Vukonich, Washington State Senate Democrats
Lydia Wagner, Department of Ecology
Bruce Wishart, Deschutes Estuary Restoration Team
Bob Wubbena, Capitol Lake Improvement & Protection Association
Catherine Young, Legislative Support Services

Welcome and Introductions

Lieutenant Governor Brad Owen called the joint State Capitol Committee (SCC) and Capitol Campus Design Advisory Committee (CCDAC) meeting to order at 11:01 a.m. A quorum was present.

Members will receive a presentation on the results of the Situation Assessment for Capitol Lake by representatives from the William D. Ruckelshaus Center.

Lt. Governor Owen recognized SCC members Kelly Wicker, Governor Inslee's Designee; Ken Raske for Secretary of State Kim Wyman; and Commissioner of Public Lands Peter Goldmark, and CCDAC members Senator Karen Fraser; Representative Drew MacEwen; Susan Olmsted; and Jonathan Taylor.

The joint meeting agenda was published in *The Olympian*. Public comment for the agenda item will be received after the discussion of the agenda item. Citizens were also encouraged to submit comments on the Department of Enterprise Services (DES) website should the meeting end prior to all comments being received.

Opening Comments

Bonnie Scheel, Acting Assistant Director, Department of Enterprise Services (DES), advised citizens in attendance of the option to submit written comments through a link to the Capitol Lake Situation Assessment Report on the DES website.

Ms. Scheel thanked members for agreeing to meet jointly to receive the results on the Capitol Lake Situation Assessment as it provides a setting for the SCC to build a common foundation of knowledge to support its ongoing work regarding the future of the Capitol Lake basin. The presentation is an opportunity to receive findings from the William D. Ruckelshaus Center on the outcome of the recent situational assessment on the future management of Capitol Lake.

In June 2014, DES contacted the William D. Ruckelshaus Center (Center) to provide a situation assessment around Capitol Lake management. Over the past several months, members of the Center conducted interviews with community leaders and interested parties to help determine the most productive means of addressing the issues surrounding Capitol Lake and its future management.

The report is scheduled for finalization during the week of December 15, 2014 and will be publicized on the department's website.

Capitol Lake – Situation Assessment

Lt. Governor Owen introduced Michael Kern, Director and Chris Page, Project and Development Lead, William D. Ruckelshaus Center, and Christina Sanders, Associate Director, Washington State University Division of Governmental Studies and Services.

JOINT SCC/CCDAC MEETING MINUTES

December 11, 2014

Page 3 of 9

Mr. Kern reported the Center assembles teams of faculty staff, students, and practitioners affiliated with both Washington State University and the University of Washington to provide organizations and government agencies with collaborative problem solving assistance. Ms. Sanders' division is a common partner with the Center because of the overlap with the University's expertise and the type of work completed by the Center. Mr. Page and Ms. Sanders were the two principal investigators for the situational assessment.

Mr. Kern acknowledged the assistance of Raquel Espinosa, Project Assistant with the Center.

Mr. Kern reported the mission of the Center is to foster collaborative public policy in the State of Washington and the Pacific Northwest. The Center is named after its founder and Advisory Board Chair, William D. Ruckelshaus for his approach to collaborative problem solving. The Center is a joint effort between the state's two research universities and was established in response to requests from community leaders. The Center is hosted at the University of Washington Evans School of Public Affairs and the Washington State University (WSU) Extension.

Services offered by the Center provide a toolkit for conflict resolution and collaborative policy making and/or collaborative governance. The Center establishes a set of project criteria to guide an assessment on the appropriateness of its involvement in any given policy situation. Project criteria include primary and secondary criteria.

Ms. Sanders described the methodology and approach for the Capitol Lake Situational Assessment. In the 2011/13 biennium budget, the Washington State Legislature appropriated \$200,000 to DES to begin the process of seeking necessary permits to dredge and spot dredge excess sediments as required under the proposed long-term management strategies. Additionally, DES contracted with the Center to conduct a situation assessment. A situation assessment is an interview-based effort to better understand and explore the relevant issues and interests along with the situation dynamics. That type of assessment is typically a first step in exploring the potential for a collaborative process and reveals useful information to guide the next steps whether or not that may involve a collaborative process.

If the parties to the collaborative process reach agreement, results typically are returned to a traditional legislative executive and/or traditional policy forum for consideration and possible action. The structured interviews conducted by the team included interests from architecture, business, citizens, residents, federal government, local government, elected officials, local government staff, marine businesses, media, non-governmental organizations (NGOs), state government elected officials, state government staff, and tribal government staff.

Interviewees were selected based on a set of criteria to ensure balance and representation with a goal of ensuring all participants' interests were represented regardless of whether they were interviewed. The interviews were conducted to WSU's 'human subjects review protocols'. The interviews were not used to establish a baseline assessment for the Deschutes Watershed or considered as a thorough analysis of all management options. The report is syntheses of information derived during the interviews and explores issues and interests of all parties along with situation dynamics. It's designed to guide the next steps moving forward.

The research team from the Center conducted some background research and developed an appropriate approach for moving forward. The team identified an initial list of interviewees and conducted some preliminary issue identifications. The interviews were conducted with 44 diverse parties. The report articulates major issues and key parties involved, documents interests and perspectives by the parties, and

analyzes and explores prospects for a collaborative process to address the issues. The interviews were conducted between August through the end of November.

Mr. Page reviewed the key findings in the report.

The management of Capitol Lake and the Deschutes River basin has many of the hallmarks of a complex public policy challenge: Multiple organizations and individuals with vastly different and passionate views and priorities, a set of local issues weighted with history and politics, several government agencies with diverse management responsibilities, and natural hydrological sediment processes exacerbating environmental pressures. This was all compounded by a factor that nearly every person contacted during the assessment cited as a major issue: a serious lack of discretionary funds in the state capital budget.

The assessment was conducted to synthesize all the major viewpoints on related issues, analyze the prospects for a collaborative process to seek agreement, and recommend potential next steps. It revealed some reason for optimism, despite the litany of challenges. Several areas of agreement emerged that might serve as a starting point for either collaborative dialogue or other steps forward, and nearly all participants in this process are frustrated enough with the status quo that there appears to be widespread motivation to undertake the hard work. It will require development and agreement on a long-term plan that is politically and economically viable.

The assessment revealed a set of outcomes or interests that are desired by sizable number of constituencies. It may be the case, but not all the parties hold all of these as desired outcomes. It's likely that everyone involved can acknowledge that any of the given interests are important to others. These elements of a stable solution could be a starting point for a collaborative dialogue to identify and agree on common interests, which is a key step in collaborative agreement seeking.

Though there were different ideas on the approach, a majority of the respondents agreed that environmental values are important to uphold. Five specific environmental values people support include:

- Good water quality
- Healthy fish and wildlife habitat
- Long-term sediment management
- A plan that includes a cost-sharing strategy
- Invasive species management
- Consideration of the impacts of land and river management on a full watershed scale (It's important to note that interviewees on all sides of the central issue support the basin wide or watershed scale for management considerations.)

Major areas of agreement for social/cultural values included:

- Aesthetics – appearance of the reflective pool and the aesthetics of the area are important to many people.
- Recreation – many interviewees shared their values for walking and jogging, swimming and boating, and fishing. Many people would like fishing opportunities to be a future amenity of the management outcome.
- Cultural and Social Cohesion – this assessment revealed perceived divisions in the community with perceptions of pro-lake factions as a certain segment of Olympia and pro-estuary as another. Some

saw a divide between state agencies and local residents. People spoke of the desire to build bridges between tribal and non-tribal residents.

Another area of agreement was any management decision must be financially feasibility now and in the long-term. Many interviewees wanted a long-term solution that supported tourism for downtown businesses. There were many comments about the importance of equity for cost-sharing. Any long-term management option selected will cost money that is not currently available. Federal funding may be available depending on the path forward. There was support for a potential local funding district and local government structure to help manage the system. Most people desire a healthy, local economy and support cost-sharing to help address sediment management.

Several respondents spoke to health and safety, specifically flood control, which must be factored into any long-term management plan. Many interviewees citing swimming and fishing and acknowledged the importance of healthy waters as a health issue.

In terms of differences, the assessment found significant divide between those who want to keep the lake and those who want to restore the estuary. Those who spoke directly to this polarization often voiced the opinion that most issues could be agreed on, except for removal of the dam.

The Department of Ecology's water quality model assessment on the dam's impact on dissolved oxygen in Budd Inlet has been in question. It's an issue with very different perceptions and accusations of misinformation. Some say state agencies are biased and favor an estuary. In terms of research on science and fact-finding, most interviewees who mentioned aesthetics tended to do so in the context of how picturesque the lake is while others assert that the tidal ebb and flow have a beauty of its own. Many interviewees mentioned that 80 percent of the time the estuary area would be under water and provide the reflection of the capitol that is so prized.

Interviewees differed both on how much they thought overall costs would be for any long-term management option along with the economic impact on downtown businesses. Some believe the lake would benefit the economy more while others point to the restoration of the Nisqually Estuary as a large tourist attraction.

Many said the lake provides superior recreational benefits. However, some pointed to restoring the estuary for the recreation opportunities it would provide as well.

Despite the polarization, most expressed some optimism for a collaborative process. Approximately 90 percent of the interviewees believe it would be appropriate at this time, although some were very skeptical. Several interviewees indicated they believe the prior Capitol Lake Adaptive Management Plan (CLAMP) process was already an attempt at collaboration. The views on who might lead a collaborative process differed widely with some believing it should be an open public process to include all interested parties while others believe it should be limited to the various levels of government entities.

Next steps include synthesizing the information learned during the assessment. It would be important to resolve the dispute around modeling the dam's impact on water quality in Budd Inlet. Several paths were suggested. The state could commission an independent scientific review of the Department of Ecology's computer models, which could be conducted by academic faculty, provided their participation is deemed acceptable by all involved parties. Department of Ecology technical staff and other scientists who have questioned Ecology's computer model could continue to meet (they have met several times in the fall) to determine whether it's possible to refine the calibrations of the model to reach agreement on the validity

of the findings. It could make sense to commission an independent review and possibly a third party facilitator to participate in those meetings.

Some interviewees indicated the CLAMP Steering Committee process was biased toward a predetermined outcome, as well as voicing other criticisms. It would be important to conduct any future collaboration in a way that addresses those concerns. If a new process with the CLAMP entities should operate in a similar fashion, it would be subject to the same criticisms.

In synthesizing the information, the chances of a collaborative effort succeeding would be highest if the government entities consider new potential options or approaches to capture those elements that everyone agrees on for a sustainable solution with active input from the public and all constituencies with a facilitator regarded as neutral by all the parties. The goals of a potential collaborative process could lead to develop or evaluate one or more of the potential highbred solutions. Many interviewees said there could be a way to revisit the dual basin estuary and new approaches to capture the benefits of both a lake and an estuary through either a spatial split with a less expensive divider option that the CLAMP process examined or a temporal split with tide gates allowing for estuary flows and processes during specific times with the basin raised to provide a reflective pool at other times of the year. Such a process should be open to any other approach that satisfies the majority of the agreed upon common interests. The process could also identify possible additional actions upstream, such as land and river management strategies and policies, as well as impacts downstream to Budd Inlet in terms of sediment management and water quality. It could potentially engage other entities that share the Deschutes River basin that could possibly help with funding and management. That process could identify data and science questions necessary to be answered to accurately evaluate any emerging options or update the knowledge base on existing options.

Many respondents said it would be important to identify fact-finding entities that would be acceptable to all parties and not just the CLAMP governmental entities, but also NGOs and other stakeholders. Having the CLAMP entities involved could serve multiple functions, as it would utilize an already existing mechanism. It could provide the opportunity for widespread public engagement by representative governments and ensure decision-making entities are directly involved, and it would enable consideration of a local funding and taxing district. It would also supply the form for government-to-government interactions that are vital to the tribe.

Interviewees believe the chances for success would be highest if the process had some of these characteristics:

- Development and agreement on a shared vision;
- A clear definition of consensus and how decisions will be made;
- A focus on the potential to capture the amenities of both lake and estuary;
- Consideration of the effects of land and river management upstream in the Deschutes River basin, along with the impacts of management decisions on Budd Inlet;
- A strong base of agreed-upon factual information, preceded if necessary by a fact-finding effort done through an entity/entities acceptable to all parties;
- Acknowledgement that the CLAMP collaboration has already occurred and structuring a new process to avoid the same criticisms voiced about CLAMP (different data collectors, broader geographic scope, and perhaps a different name/acronym to reflect the potential broader geographic scope);
- The CLAMP entities (with executive leaders either at the table or in direct communication with staff representatives – channeling public input through the individual governments);

- The potential inclusion of or consultation with other public service agencies, such as Lacey-Olympia-Tumwater-Thurston County (LOTT) Clean Water Alliance;
- The active participation or open liaison work with the agencies from whom the dredging permits/approvals would be required, in order to ascertain that emerging management options would be compatible with obtaining the required permits/approval for the anticipated dredging;
- Proactive public engagement by representative governments to ensure robust input from their respective constituencies that they can bring back to the collaborative effort; and
- Conversations with public entities and others about the potential for a cost-sharing strategy or funding mechanism for long-term management of sediment, water quality, infrastructure, and other anticipated areas of capital expenditure. This could take the form of a Deschutes River Basin Management District.

The recommendations could also address disconnects between the state having management responsibility with local residents being most directly and significantly impacted. Interviewees questioned whether costs for managing the feature in downtown Olympia should be borne by citizens in Spokane and other areas of the state.

A constant outcome in the assessment was that interviewees agreed that someone should step up and make a decision.

Mr. Page advised that a courtesy copy of the draft report would be forwarded to DES within the next week to identify any factual inaccuracies. The schedule calls for finalization of the report by next week with the final copy delivered to DES on December 19, 2014.

Lt. Governor Owen invited questions by committee members.

Ken Raske said it appears the assessment identified an opportunity to reach consensus on a long-term management scheme. Mr. Kern replied that many interviewees believe consensus around the removal of the dam would be very difficult to achieve. It's possible a consensus could be achieved on a shared vision or on elements of a stable solution for the identified common values. It might be more appropriate to obtain consensus on areas of agreement, map out areas of disagreement, and return the findings to the committees.

Commissioner Goldmark asked whether the process and duration were identified during the process. Mr. Kern said those considerations would be identified after selection of the process option. It's also important to note that while there is guarded optimism on collaboration, the assessment evaluated whether the process was right for a collaborative approach or whether a third party facilitator should be included. Most interviewees agreed a third party facilitator would benefit stakeholders. When that question was applied to the Center's project criteria, the question was asked of whether the Center would be an acceptable convener, as there are many other options. The Center was not identified as necessarily a good fit as the third party convener. The team recommends that should the SCC move forward with a collaborative process, the Center could assist in identifying potential facilitators.

Commissioner Goldmark commented that he believes the process was intended to address whether a collaborative process would be appropriate. Mr. Kern said some of the elements for a collaborative process exist, as the issue has been ongoing for some time with no one achieving their specific desired results. People are frustrated and are indicating that a decision needs to be made, which speaks to a precursor for a collaborative process; however, not all respondents agreed. The CLAMP Steering

Committee worked over a long time completing detailed work and arriving at a preferred alternative, which has not moved forward indicating that there are entities preventing any outcomes. Incentives exist for the community to consider what needs to occur to achieve a desired outcome by identifying the different needs to help move the outcome forward. It's likely a future process would be designed to address the pieces that are preventing the outcome from moving forward rather than starting with a clean slate.

Mr. Page added that most respondents agreed a collaborative process would be beneficial with some indicating that it would be dependent upon how the process was designed and what interests would be represented.

Jonathan Taylor asked why the Center would not be the best option moving forward. Mr. Kern advised that the team didn't necessarily see a unique university element. Additionally, to be an effective facilitator, everyone involved in identifying the future solution would need to agree that the Center would be an acceptable convener. The assessment indicated that's not the case and some individuals would be more comfortable with another facilitator. The team didn't explore the details of those concerns. Mr. Taylor asked whether the team has identified any facilitators. Mr. Kern said the report would include the recommendations on how to address the remaining technical differences. There are many sources of independent review with universities as a good place to start. The team has completed some preliminary work to identify some resources with the Center assisting in making the connections.

Susan Olmsted questioned whether the magnitude of the conflict regarding removal of the dam is significant to override other areas of consensus. Mr. Page said respondents who spoke in support of retaining the dam cited their attachment to the lake and the importance of the lake as a feature of the downtown and Capitol Campus. Change would be very difficult for many respondents in support of the lake. Another issue cited was the management of sediment in Budd Inlet. Most respondents supported cost-sharing strategies to avoid marine interests assuming most of the cost associated with sediment impacts.

Mr. Kern added that the Center has been involved in situations where some issues were polarized similar to the dam, which have been overcome. Often, when resolution occurs, it's because those strongly advocating for a particular approach often recognize the potential of losing some of their widely-held values if they continue to prevent an outcome. There is the potential of that situation occurring with the dam.

Public Comment

Lt. Governor Owen said that many of the individuals in attendance have been involved and shared their respective opinions over the years. He expressed appreciation for their attendance and continued interest in working on a future resolution.

Bob Wubbena, Capitol Lake Improvement & Protection Association (CLIPA), expressed appreciation for the presentation and pledged cooperation in future efforts.

John DeMeyer, Olympia Yacht Club, expressed appreciation for the opportunity to participate in the effort. He asked about the potential timeframe if a collaborative effort is undertaken based on the team's experience in other similar conflicts. Mr. Kern said any collaborative effort requires time. It requires designing a good process, establishing a common and shared information base, establishing a shared vision for the desired future, and determining how decisions will be rendered. That process takes time

and requires establishing trust and relationships among the group. The length of the process is dependent upon the number of issues to address.

Dave Peeler, President, Deschutes Estuary Restoration Team (DERT), echoed similar comments on the good work by the Center. As one of the interviewees, he was very impressed that the questions were open-ended and the interview provided an opportunity to add information that might be of importance or address other issues, as it's important to the process to flush out the full range of issues of concern. He was also impressed that it was the first opportunity since the CLAMP was disbanded for exploration of the questions and how to proceed in moving the process forward. It's been an issue that the agencies and DES has been struggling with. This process is a way to pursue a future process moving forward. The Department of Ecology is currently in the process of completing water quality studies and has been very open to independent reviews of the information. The studies likely will not be completed for another year. The organization would like to ensure that the studies are completed to ensure a strong base of scientific information on which to base some future decisions. However, other work could proceed as well to explore other issues or address some of the scientific questions that have been raised. The organization is hopeful that those efforts can move forward and appreciates the opportunity to participate.

Closing Comments

Lt. Governor Owen invited Ms. Scheel to provide closing comments on the report.

Ms. Scheel thanked the team for the presentation. The recommendations will help DES and the Legislature understand what's needed to continue moving ahead for a long-term vision for Capitol Lake. DES has not requested funds for a dredge at this point, as the intent is not to jeopardize the collaborative process pursued by the Ruckelshaus Center. DES requested \$350,000 for the 2015-2017 biennium to pursue any recommendations from the report and could continue to work with the Legislature on the 2016 supplemental budget requests should a need be identified.

The final assessment report will be available on the DES website. DES looks forward to working with both committees on the next steps.

Director Chris Liu thanked the Ruckelshaus Center and the team for its work. He acknowledged Senator Fraser for recommending the Ruckelshaus Center to help ensure a good process is developed in moving forward.

Commissioner Goldmark thanked and expressed appreciation to the Ruckelshaus Center for its work and diligence in providing the information to enable the process to move forward.

Adjournment

With there being no further business, Lt. Governor Owen adjourned the meeting at 11:50 a.m.