



**CAPITOL LAKE/LOWER DESCHUTES WATERSHED  
EXECUTIVE WORK GROUP  
Jefferson Building  
Presentation Room 1213  
1500 Jefferson Street  
Olympia, Washington 98504  
December 16, 2016  
9:30 a.m.**

**Minutes – Reviewed by Committee**

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**JURISDICTIONAL MEMBERS PRESENT:**

Cheryl Selby, City of Olympia  
Pete Kmet, City of Tumwater  
Julie Hankins, City of Olympia  
Jeff Dickison, Squaxin Island Tribe  
Bill McGregor, Port of Olympia  
Bud Blake, Thurston County (Alternate)  
Neil McClanahan, City of Tumwater

**DES STAFF MEMBERS PRESENT:**

Chris Liu, Department of Enterprise Services	Nouk Leap, Department of Enterprise Services
Bob Covington, Department of Enterprise Services	Bill Frare, Department of Enterprise Services
Carrie Martin, Department of Enterprise Services	Rose Hong, Department of Enterprise Services

**PRESENTERS/FACILITATORS::**

Paul Dziedzic, Meeting Facilitator	Tessa Gardner-Brown, Floyd/Snider
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**OTHERS PRESENT:**

Karen Fraser, Senator	Robert Jensen, DERT
Sally Toteff, Department of Ecology	Jim Lengenfelder, Olympia Yacht Club
John Doan, City of Tumwater	Margaret Clancy, Environmental Science Associates
Tom Gow, Puget Sound Meeting Services	Leanne Weiss, Department of Ecology
Bob Holman, CLIPA	Bob Wubbena, CLIPA
Chris Conklin, Department of Fish & Wildlife	Denise Clifford, Department of Ecology
Allen Miller, N. Cap. Campus Dev. Assn	Shawn Myers, Thurston County
Joe Downing, Port of Olympia	Greg Schundler, Citizen
Jack Havens, CLIPA	Walt Harrison, Citizen
Kristin Swenddal, Department of Natural Resources	Penny Black, CLIPA
Rich Hoey, City of Olympia	

**Opening Comments and Review of Agenda**

Paul Dziedzic, Facilitator, called the meeting to order at 9:30 a.m. He welcomed everyone to the meeting.

Members of the Executive Work Group and meeting presenters provided self-introduction.

Mr. Dziedzic reported the meeting agenda includes an overview of Phase 1 goals and accomplishments, recognition of members of the Technical and Funding and Governance Committees, and next steps.

Mr. Dzedzic recognized the attendance of Commissioner Joe Downing, Port of Olympia, and Shawn Meyers, Thurston County Treasurer.

**Approval of October 28, 2016 Minutes - Action**

Members approved the minutes as presented.

**Overview of Phase 1 Goals**

Chris Liu, Director, Department of Enterprise Services (DES), recapped the Phase 1 Capitol Lake/Lower Deschutes Watershed Long-Term Management Planning Project. The process was initiated to complete requirements within a budget proviso included within the biennial budget, as well as to ensure a coordinated working relationship with local and tribal governments and agencies responsible for the long-term management of Capitol Lake and Lower Deschutes Watershed. The outcome of Phase 1 serves as a good model of governments working together. Director Liu said he is hopeful that the collaboration continues with Phase 2 if funding is received by the Legislature.

DES proactively engaged with governments, the community, and other stakeholders to complete Phase 1. The work during Phase 1 completed proviso goals and helps prepare for moving forward to Phase 2.

Director Liu thanked and acknowledged the efforts of staff from the Departments of Fish and Wildlife, Ecology, and Natural Resources, as members of the Technical Committee, in addition to those representatives of the governmental partners. Commissioner of Public Lands Peter Goldmark was an advocate for the work and assisted in supporting efforts to move the next phase forward. The Department of Archeology and Historic Preservation provides guidance to ensure preservation of tribal rights and protection of any historical artifacts.

Director Liu thanked everyone who participated for making Phase 1 possible.

*Commissioner Bud Blake arrived.*

**Accomplishments of Phase 1**

Tessa Gardner-Brown, Floyd Snider, reviewed Phase 1 accomplishments. The catalyst for the Executive Work Group meetings was the proviso attached to the 2015-2016 Capital Budget. DES, under the direction of Director Liu, considered the proviso in terms of maximizing the benefits of the work to complete the proviso directives. The directives tasked the effort to reach broad agreement on a long-term plan for the management of Capitol Lake and the lower Deschutes Watershed. DES developed a plan to phase the approach by considering the initial proviso as part of Phase 1. Phase 1 involved regulatory and governmental partners and the community working cooperatively to identify and understand the desire by the overall community of the work to achieve the proviso directives, as well as assessing the level of interest to agree eventually on a long-term management plan.

Phase 1 initiated the intensive process of establishing stakeholder groups of the Executive Work Group and Technical Committee drawing on local agency and natural resource agency expertise, and the Funding and Governance Committee to evaluate potential models for future shared funding and governance. The combined efforts also included conversations around the shared goal of sediment management. Each stakeholder group met monthly throughout the process. That process also included community input and feedback.

The intent of Phase 1 was to help set the stage for Phase 2 and other future phases. Phase 1 was conducted as an expanded scoping period for DES to identify long-term management options. The Proviso Report summarizes the results of the Phase 1 process.

Following the conclusion of Phase 1, state resource agency (WDFW, DNR, & ECY) staff members serving on the Funding and Governance Committee and the Technical Committee expressed support for moving forward to Phase 2. Phase 2 efforts include evaluating potential long-term management options and the impacts and benefits of those options.

As part of Phase 1, goals and objectives were reviewed. During the April meetings, a survey of 421 respondents provided input on community goals for the future of Capitol Lake. Consequently, a broad range of goals and objectives were identified. Many of the goals and objectives are similar regardless of the long-term management option. The top six goals and objectives identified during Phase 1 are the same as those generated during the earlier process in the 1990s, although they have shifted in priority as conditions in the resource change. The goals include aesthetics, sediment management, recreational opportunities, water quality, economics, and habitat.

After identification of the goals and objectives, a Purpose and Need Statement was drafted. The statement serves as a foundational element for an Environmental Impact Statement (EIS) by focusing the direction of the evaluations and conveying ideas about what the community wants to achieve from the project. The Purpose and Need Statement is included in the Proviso Report and moves forward to Phase 2 during the EIS.

Other areas of mutual work include the project bibliography. The system has been studied for many decades, and as part of the process, the consultant team and technical staff examined the body of existing work. Over 200 documents were compiled relating to the Capitol Lake/Lower Deschutes Watershed.

Phase 1 also focused on identifying new ideas and concepts for long-term management of Capitol Lake. The process also considered other components that might have been overlooked or not previously considered that could be integrated into long-term management options to increase consistency with project goals. One example is the eradication of the New Zealand Mud Snail. Regardless of the long-term management option, the eradication of the mud snail should be integrated as a primary component of the work moving forward. The list memorializes some of the important components that might have been lost otherwise.

The Funding and Governance Committee evaluated existing models for potential shared funding and governance, as well as conceptualizing and brainstorming potential new models. The committee identified 10 attributes that could serve as the foundation of any model moving forward. There was strong commitment by members to continue working to develop the model, identify opportunities for a long-term shared funding and governance model, and move forward to Phase 2 working collaboratively with DES.

Although the proviso did not focus on sediment management, all stakeholders and DES acknowledged sediment management as an important component for any long-term management decision. Conversations focused on the timing of additional analysis or modeling as needed to identify potential impacts or benefits of an open system. The first step is evaluating existing conditions. The team worked with an experienced geomorphologist who has completed and built sediment models to review the work completed in 2006. The geomorphologist concluded that prior research represents a good body of work and that the model previously developed could be built upon and refined moving forward. Additionally, stakeholders

supported including sediment management when evaluating all other potential impacts and benefits. The approach is consistent and comprehensive moving forward.

The Phase 1 Report is currently under review by the Office of Financial Management (OFM). The report was revised since the last review by the Executive Work Group based on feedback from members, the Technical Committee, and the community. The next step is submittal of the Phase 1 Report to the Legislature. The report serves as the document summarizing the work during Phase 1 to support moving forward to Phase 2.

Following the October meeting, the consultant team revised the report based on feedback. Feedback from OFM is anticipated by December 23. The report includes a summary of existing conditions for water quality and habitat in Capitol Lake as specified in the proviso and in response to a request. The components table of some additional components that could be included in the long-term options was also included in the report. As part of the sediment management chapter, some revisions have been made in response to feedback from the Technical Committee. Additionally, in terms of the 2006 modeling report, a graphic was included depicting areas of potential sediment deposition in the section discussing the need for more study as part of the Phase 2 EIS and the need to identify potential mitigation measures if the deposition resulted in any impacts. Based on comments from the community, the report includes a discussion about the history of Capitol Lake and the continued importance of aesthetics. The report also includes a discussion on how the project would be planned and implemented in a comprehensive approach. Finally, the formatting of long-term management options was updated based on feedback from the October discussion. The report also includes an update of the seasonal hybrid as requested by the Technical Committee. Long-term management options and other options developed during Phase 1 by stakeholders spanning small components to full long-term management options will move forward to Phase 2 for evaluation.

Director Liu asked whether the report including the bibliography and all previous studies submitted to the Legislature would move forward to Phase 2. Ms. Gardner-Brown affirmed all information within the report would move to the next phase.

Mayor Selby asked about the timing for members to receive a final copy of the Proviso Report. Ms. Gardner-Brown said the report would be available to all stakeholders after submission to the Legislature on December 30. Mayor Selby asked about the availability of staff to brief councils and commissions during the first quarter of 2017. Director Liu confirmed the availability of staff to provide briefings.

### **Recognition of Community Involvement**

Director Liu acknowledged the tremendous response from the community. He understands that during Phase 1, more meetings were held than public meetings for the SR 520 Bridge project. He recognized members of DERT and CLIPA for their contributions and tenacity in providing information, as well as advocating for their respective positions. Participation in Phase 2 by both organizations will be critical.

Director Liu recognized members of the Technical and Funding and Governance Committees. The Technical Committee vetted much of the information. Completion of the work would not have been possible without the assistance of the committee. Members representing state agencies, local governments and the tribe volunteered and provided background and science for vetting information. However, in terms of science, definitive solutions were not the goal rather it was moving issues forward to the EIS to fully vet. The collaboration of all parties was commendable in terms of discussion of issues and putting aside differences. The process served as a great example on how governments can work together. Director Liu thanked the Squaxin Island Tribe for its assistance to DES in helping organize and move issues forward.

Mr. Dziedzic recognized the attendance of Senator Karen Fraser, who was responsible for initiating the process.

Mayor Kmet commented on the amazing amount of work completed by Floyd|Snider, DES, and technical staff. Although he wasn't involved in the prior CLAMP process, the list and summary of the documents generated during that process was extremely valuable. The work represents a good foundation for future work moving forward. He continues to remain concerned about water quality impacts and the degradation of the lake and lower Budd Inlet. Many potential challenges will exist if those issues are not resolved. He is hopeful the process moves forward to resolve the issue otherwise it likely would have an adverse economic impact on the community. He expressed appreciation for the work completed and the time staff invested in the effort.

Commissioner McGregor commented that it's likely each member entity did not have Phase 1 efforts included within respective work plans, which speaks to each member's willingness to cooperate and move the issue forward as a whole. He is appreciative of the staff time and resources expended by all entities to facilitate the work of the committees.

#### **Review of the Submittal Schedule and What's Next**

Director Liu reported the Proviso Report was submitted to OFM on December 1 with comments anticipated by December 23. DES has received no indication that OFM plans to recommend any substantial changes to the document. The Legislature will receive the final Proviso Report on December 30. The report will be publicly available on the DES website similar to the postings of other reports and information.

DES submitted a request for funding to move to a Phase 2 EIS as part of the 2017-2019 capital budget request. The Governor's Budget includes the project. If funded, Phase 2 could be initiated by 2018 after a standard bidding and consultant contracting process. Phase 2 includes completion of an EIS and associated technical analyses with public comment over an estimated three-year period.

Mayor Selby asked whether the request was fully funded in the Governor's budget at \$5.5 million. Director Liu said the Governor's budget covers a two-year period. Because the process would likely cover a longer period, the Governor's budget contains funding of \$4 million for the first two years.

Commissioner McGregor asked whether the remaining funding is anticipated to be included in the next budget cycle. Director Liu affirmed a future funding request would be adjusted dependent upon the balance remaining from the initial funding amount and any remaining work.

#### **Final Remarks from the Executive Work Group**

Mayor Selby commended Floyd|Snider, DES, Director Liu, and Manager Carrie Martin for ensuring the work group was updated affording ease for each member to update respective councils and commissions. Community input was remarkable as evidenced by the number of people participating in the online survey. It's obvious the community is passionate about finding a resolution to the problem. The next steps include advocating for Phase 2. She introduced a letter addressed to the Legislature signed by all members of the Executive Work Group. The letter advocates for funding Phase 2.

The funding request was also adopted as one of three key funding issues for regional legislative priorities by nine different agencies, organizations, and departments. Support from other strategic partners for Phase 2 provides an opportunity for broader outreach to local legislative districts. The letter signed by the entities represents an historic document in that the Squaxin Island Tribe is represented as well. Mayor Selby provided the letter to Director Liu on behalf of each entity represented on the Executive Work Group.

Director Liu explained that the letter of support from all government partners supports legislative funding for the Capitol Lake/Lower Deschutes Watershed Environmental Impact Statement and long-term management and planning for Phase 2.

Commissioner McGregor recognized previous CLAMP members Neil McClanahan and Jeff Dickison for their years of service on the committee. The community is ready to move on to the next step of making a decision. Although, it may take another three years, the outcome, which might not be agreeable to all, would be properly vetted during Phase 2. Public involvement up to this point has been encouraging and the other options submitted by the community would be vetted by the EIS. He expressed appreciation for the discussions, cooperation, and comradeship of the committee's process.

Commissioner Blake asked about other efforts pending the initiation of Phase 2. Director Liu said DES would continue to keep all Executive Work Group members informed as DES moves forward. Should funding be approved, DES intends to reformulate the Executive Work Group and render future decisions at that time.

*Commissioner McGregor left the meeting.*

Mayor Selby recommended members should consider accompanying many of the other groups who will be visiting legislators to advocate for funding.

Ms. Gardner-Brown added that DES likely would provide monthly updates via email to members on the status of the funding progress during the session.

Mr. Dickison, on behalf of the Squaxin Island Tribe and Tribal Council, thanked members of the Executive Work Group for representing their respective governments. It was important to the Tribe to engage in the process at a government-to-government level. The Tribe is appreciative of those efforts. Many previous discussions concluded the need for more work, and in particular, more work on sediment management. While that hasn't been accomplished during Phase 1 because of the directives of the proviso, the Tribe is encouraged that the Executive Work Group is supportive of Phase 2 funding, where that work would be completed. From the Tribe's perspective, sediment management is the major problem to solve. The commitment by local governments provides the Tribe with the justification to keep working on continuing phases as opposed to pursuing other alternative actions.

*Mr. Dickison left the meeting.*

Mayor Selby thanked and acknowledged Senator Fraser for her many years of advocacy to help the process move forward for future management of Capitol Lake. She thanked Senator Fraser for her many years of service.

Director Liu added that not only was Senator Fraser an advocate, she served as a technical advisor and supported efforts to continue moving the process forward. He thanked her for her contributions to government and for the many years of dedicated service.

Senator Fraser thanked members for their dedication to the effort.

### **Adjournment**

With there being no further business, Mr. Dziejcz adjourned the meeting at 10:17 a.m.