



CAPITOL LAKE — DESCHUTES ESTUARY

Long-Term Management Project Environmental Impact Statement

FUNDING AND GOVERNANCE WORK GROUP

June 30, 2022

Meeting Objectives and Discussion Topics

✦ Objectives

- Confirm areas of agreement and content that should be in the MOU
- Facilitate discussion around the framework of the agreement

✦ Discussion Topics

- Overarching goals supported by FGWG agreement
- Legal feasibility of FGWG agreement
- Long-term asset allocation
- Revenue collection assumptions
- MOU fundamentals
- Next steps
- Public comments



Benefits of FGWG Agreement

- ✦ Satisfies statutory requirement regarding local funding contributions
 - MOU to be included in capital request for design and permitting
 - MOU to be followed by formal ILA
- ✦ Shows investment in broader restoration efforts below Tumwater Falls, and commitment to funding of the last phase
 1. Budd Inlet remediation (Port of Olympia)
 2. Estuary construction (Enterprise Services)
 3. Sediment management after remediation and construction (jointly funded by FGWG)
- ✦ Maintains a working waterfront
 - Sediment monitoring and dredging would avoid impacts to Port of Olympia and marinas



Project Benefits to Public and Private Entities

- ✦ Benefits from project implementation
 - Protection of natural resources
 - Maintenance of working waterfront
 - Revenue through DNR leases and tax
 - Provision of public amenities
- ✦ OK for private entities to also receive benefits



Asset Allocations

Entity	Potential Asset for Ownership and Maintenance
City of Olympia	5 th Avenue Bridge
Port of Olympia	Design/permitting for maintenance dredging Annual bathymetric surveys
City of Tumwater	South Basin boardwalks
State	Security and oversight of restored boating, fishing and recreation Decontamination station staffing Middle Basin boardwalks
Thurston County	Finance management
Squaxin Island Tribe	Participation in Habitat Enhancement Plan implementation (potentially in coordination with Deschutes Watershed Council)
LOTT	<i>No current asset allocation</i>



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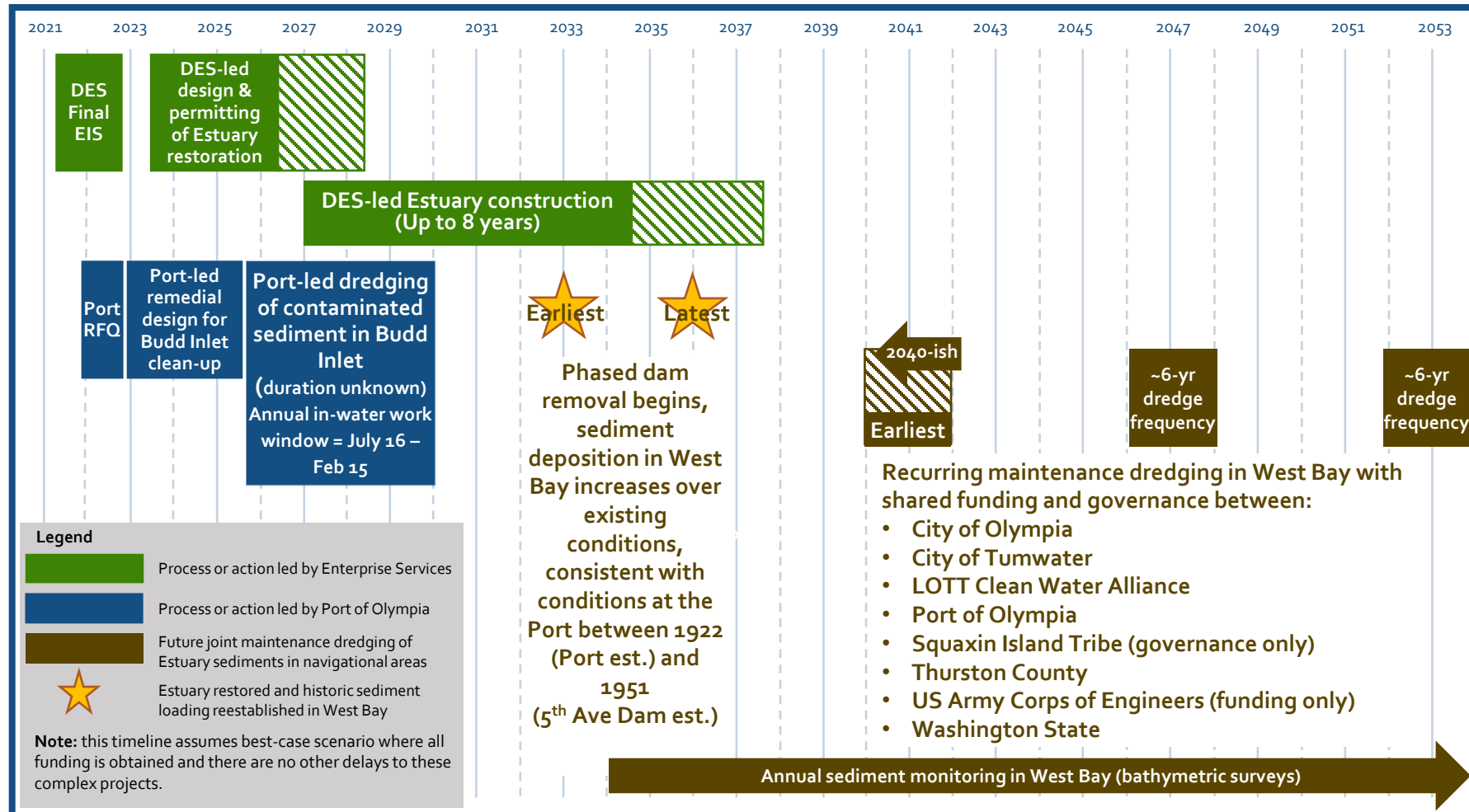
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Revenue Collection Assumptions

- ✦ Finance Management: Thurston County
 - Pro: Performs this function routinely for other funds and situations
 - Pro: Centralized management = assurance of sufficient funds when needed
 - Uncertainty: Investment constraints for maximizing long-term growth
 - Uncertainty: Handling funds from numerous entities and types
- ✦ Unanimous preference to make payments annually
 - Based on allocation % being negotiated
 - Payments begin following legislative approval of funds for design and construction
 - Total amount TBD, estimate based on best available information
 - ILA to address risk through maximum cap, renegotiation triggers
- ✦ Begin set-asides early to show commitment?



Potential Implementation Timelines



MOU Framework

Signatories: Government/Quasi-Government Entities

Concept:

- ✦ End state is estuary subject to normal admin/regulatory management
- ✦ Agreement is a bridge/off-ramp to overall goal; it has an end date, subject to renewal

Term:

- ✦ Expires 2050 (end of current DNR leases)
- ✦ Extensions: Mandate a decision with lead-time (approx. 2045)
- ✦ Cancellation/renegotiation:
 - Cost trigger – ceiling on expenditures
 - Event trigger – Legislative funding, Budd Inlet clean-up completion/delay, uplands disposal, marina move

General Structure:

- ✦ State constructs assets
- ✦ Assets permanently transferred to other member entities
- ✦ Member entities agree to perform specific responsibilities

Dredging:

- ✦ Port/USACE fund own dredging but coordinated for cost savings, additional dredging benefits working waterfront
- ✦ Funding Amounts TBD in ILA
 - Allocation to entities that currently dredge will reflect at least current dredging levels
 - Yearly payments
 - Begin upon legislative approval for design and construction
- ✦ Financial Management (Thurston County)
- ✦ Contract management (Port)

Blue = areas of agreement

Black = to be confirmed with FGWG



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Next Steps

- ✦ **Late June:** coordination initiated with West Bay marinas
- ✦ **July 14:** Circulate draft MOU for initial, 1-week review by FGWG
- ✦ **Week of July 18:** individual meetings to review and discuss entity-specific details (~30 minutes)
- ✦ **July 21:** FGWG first round review comments due
- ✦ **July 26:** FGWG meeting to discuss key comment themes
- ✦ **Week of August 8:** circulate revised draft MOU for broader review
- ✦ **Throughout August:** legal review of MOU and FGWG feedback
- ✦ **Early September:** MOU version 3 for FGWG internal coordination

