



CAPITOL LAKE — DESCHUTES ESTUARY

Long-Term Management Project Environmental Impact Statement

FUNDING AND GOVERNANCE WORK GROUP

March 30, 2022

Meeting Agenda

- ✦ 12:30 Welcome and (Re)Introductions (15)
- ✦ 12:45 Review 2022 Goals and Objectives of FGWG (15)
- ✦ 1:00 Overview of Proposed FGWG Process (20)
- ✦ 1:20 Revisit Planning-Level Costs (40)
- ✦ 2:00 Next Steps (15)
- ✦ 2:15 Public Comments (15)
- ✦ 2:30 Adjourn



Funding & Governance Work Group (FGWG)

Convened in 2016 at the direction of the State Legislature (ESHB 2380) to:

Identify conceptual options and degree of general support for shared funding by state, local, and federal governments and potentially other entities;

Identify one or more conceptual options for long-term shared governance of a future management plan...

Funding & Governance Work Group

- City of Olympia
- City of Tumwater
- LOTT Clean Water Alliance
- Port of Olympia
- Squaxin Island Tribe
- Thurston County
- Washington State Department of Natural Resources
- Enterprise Services



FGWG Guiding Principles from 2016 Phase 1 Report

1. Dedicated and secure funding sources.
2. Those who contribute to the problem should participate in funding or paying for the solution.
3. Those who benefit from the solution should participate in funding or paying for the solution.
4. Shared distribution of costs.
5. State participation.
6. Watershed-wide in scale.
7. Manageable governance.
8. Commitment to a long-term collaborative process.
9. Adequately resourced administration.
10. Support the goals and objectives of the long-term management plan and the future of the overall watershed.



FGWG Existing Recommendations

- ✦ Reconvene for Preferred Alternative
 - Include legislative participation to increase certainty
- ✦ Existing Recommendations
 - Construction funding: state responsibility
 - Long-term maintenance:
 - Estuary Alternative = shared funding and governance
 - Managed Lake Alternative = state responsibility
 - Hybrid Alternative = unknown
 - Reconvene after likely preferred alternative is identified



Goals and Objectives for FGWG in 2022

- ✦ Adopt a governance model and funding strategy and allocation that provides management certainty for the likely preferred alternative.
 - Develop a funding allocation strategy to ensure long-term funding needs are met.
 - Identify a governance framework to assign roles and responsibility for long-term management.
 - Prepare a legal agreement that outlines commitments and presents the path and timeline for legal implementation of governance and funding.
 - Address questions about roles and responsibilities for federal, state, local, tribal, and private entities.



Goals and Objectives for FGWG in 2022

✧ “...The decision of the Funding and Governance Workgroup to not identify beneficiaries, funding partners, and sources as part of the Preferred Alternative selection process, mirrors the failed history of action and funding for Capitol Lake management. It should be easy to understand our mistrust that long-term maintenance dredging will be taken care of by some yet-to-be-determined quasi-entity using yet-to-be determined funding source(s) from unidentified beneficiaries. We are concerned that once the dam is irreversibly removed, responsibility for maintenance dredging would likely fall on our organizations...”

– Excerpt from Draft EIS comment submitted by Olympia Yacht Club, Martin Marina, Fiddlehead Marina, One Tree Island Marina, and Recreational Boating Association of Washington



Proposed Process for FGWG in 2022

Month		Proposed Meeting Topics
March	★	Reconvene
Early April	★	Review past work on governance model Review past concepts for long-term cost allocation options
Late April		Meet individually with FGWG/EWG representatives to discuss cost allocation options and identify critical path issues
May	★	Present options for cost allocation and governance Move toward identifying a preferred option
June	★	Formalize funding allocation and governance model agreement in principle
July		Meet individually with FGWG/EWG representatives to refine legal agreement
August	★	Prepare legal agreement for formal decision by each jurisdiction
Late Summer		Formal votes/confirmation by member jurisdictions
September	★	Finalize legal agreement and formalize communication for FEIS
October 31		Final EIS issued (legislative target for delivery)

★ Meeting of FGWG



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Long-Term Management Project Environmental Impact Statement

About Planning-Level Costs

- ✦ Developed by civil, environmental, and coastal engineers on the EIS Project Team
- ✦ Considered Class 4 estimates, by standards established by the Association for the Advancement of Cost Engineering
- ✦ Reflect an accuracy variation of - (minus) 25% and + (plus) 35%
- ✦ Assume a 3.5% annual escalation
- ✦ Reflect actual costs for similar work on recent projects
- ✦ Include estimates for design and permitting, construction, and long-term sediment management



Planning – Level Cost Estimates (millions)

Project Alternative	Design, Permitting, & Construction Costs	30-Year Maintenance Dredging Costs	Construction + 30 Years Maintenance Dredging Total	Potential Significant Additional Costs Not Associated with Construction or Maintenance Dredging
Estuary	\$131 – \$235	\$48 – \$101	\$179 – \$336	Less extensive impacts from overland flooding.
Hybrid	\$177 – \$319	\$72 – \$144	\$249 – \$463	Least extensive impacts from overland flooding.
Managed Lake	\$89 – \$160	\$248 – \$447	\$337 – \$607	Most extensive impacts from overland flooding. \$200 million (+/-, estimated) cost incurred by LOTT and passed on to ratepayers to meet more stringent requirements for wastewater discharge. Compensation for tribal and ecological impacts.



Project Alternatives Designed to Achieve Project Goals

✧ Project goals

- Improve water quality
- Improve ecological functions
- Manage sediment accumulation and future deposition
- Enhance community use

✧ Project components also screened for:

- Economic sustainability
- Environmental sustainability



Construction Cost Estimate for Estuary Alternative

Project Element	Estimated Cost	% of Total	Project Goal
Beneficial Reuse of Sediment to Construct Shoreline Habitat*	\$ 22,114,368	13%	Eco. Functions
5 th Avenue Dam Removal & Bridge Replacement	\$ 18,419,716	11%	Water Quality
Construction Dredging*	\$ 10,634,957	6%	Sediment Mgmt.
Boardwalks in Middle & South Basins*	\$ 4,582,221	3%	Community Use
Stormwater & Utility Upgrades	\$ 2,453,716	1%	N/A
5th Avenue Bike & Pedestrian Bridge*	\$ 2,065,298	1%	Community Use
Misc. Construction Items	\$ 1,067,273	1%	N/A
Environmental Mitigation Placeholder	\$ 618,150	<1%	N/A
Deschutes Parkway Stabilization	\$ 466,867	<1%	N/A
Boat Ramp at Marathon Park & Rebuilt Fishing Dock*	\$ 10,557	<1%	Community Use
Subtotal	\$ 62,433,121		
Escalation (3.5%/year) & Contingency (15%)	\$ 53,272,710	31%	N/A
Construction Indirect Costs	\$ 33,988,073	19%	N/A
Design & Permitting (~10%), Construction Mgmt.	\$ 24,732,036	14%	N/A

*Elements common to all alternatives.

Planning level cost estimate in Draft EIS = \$131 – \$235M
 Highest potential for federal and/or diversified funding

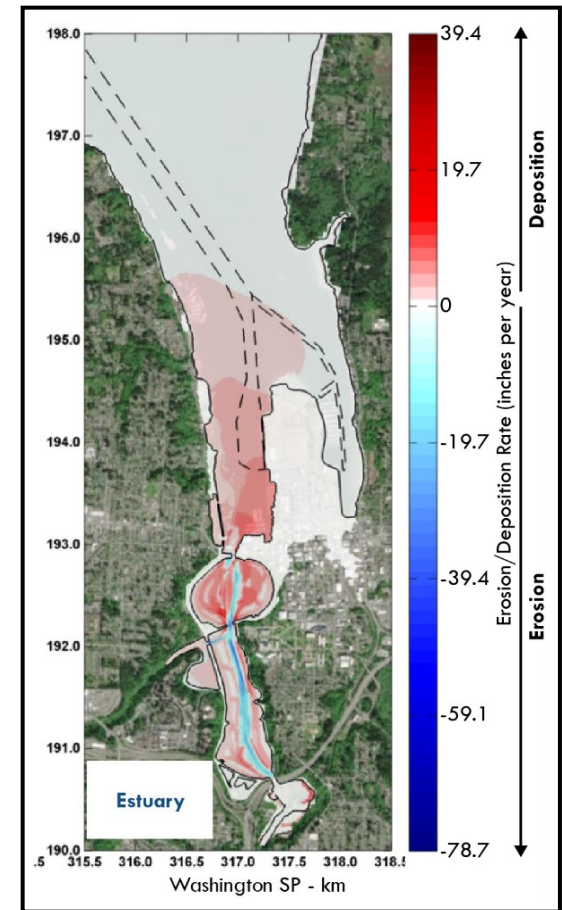


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Long-Term Cost Estimate for Sediment Management

- ✦ Informed by existing dredging frequency and hydrodynamic and sediment transport numerical modeling
- ✦ Dredging only along eastern shore of West Bay and in Federal Navigation Channel
- ✦ Dredging estimated every 6 years to minimize impacts and maintain navigability
- ✦ Annual sediment monitoring program
- ✦ **Estimated \$48 – \$101M over 30-year project time horizon, if in-water disposal**
 - Draft EIS analysis suggests that in-water disposal would be feasible under the Estuary Alternative
- ✦ Estimated \$367 – \$660M over 30-year project time horizon, if upland disposal



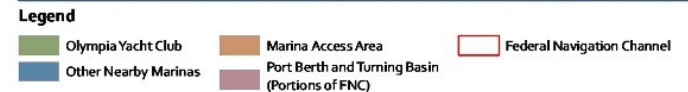
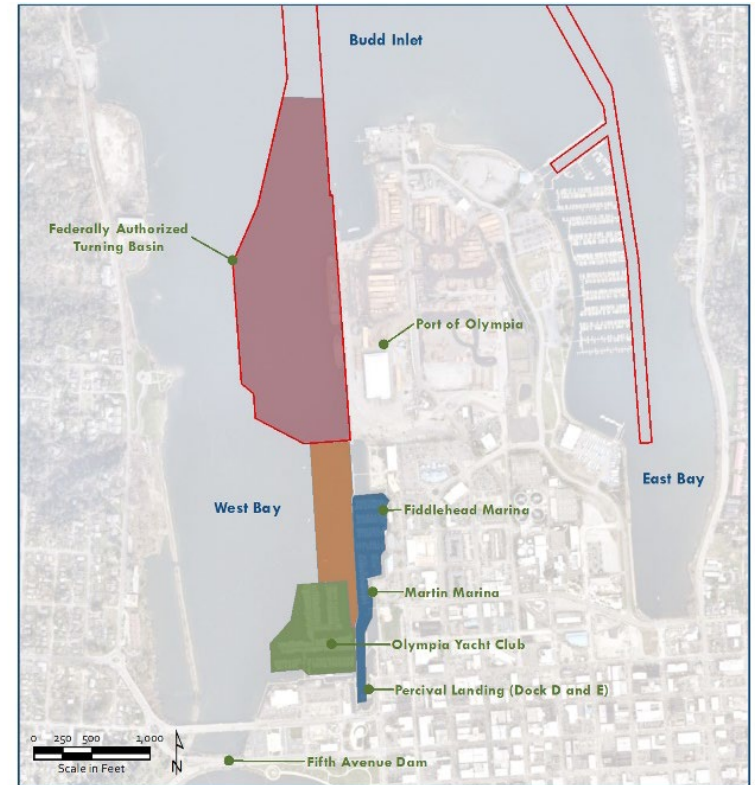
Long-Term Sediment Management in West Bay

Average Annual Sediment Deposition in West Bay without Relative Sea Level Rise (in/year)

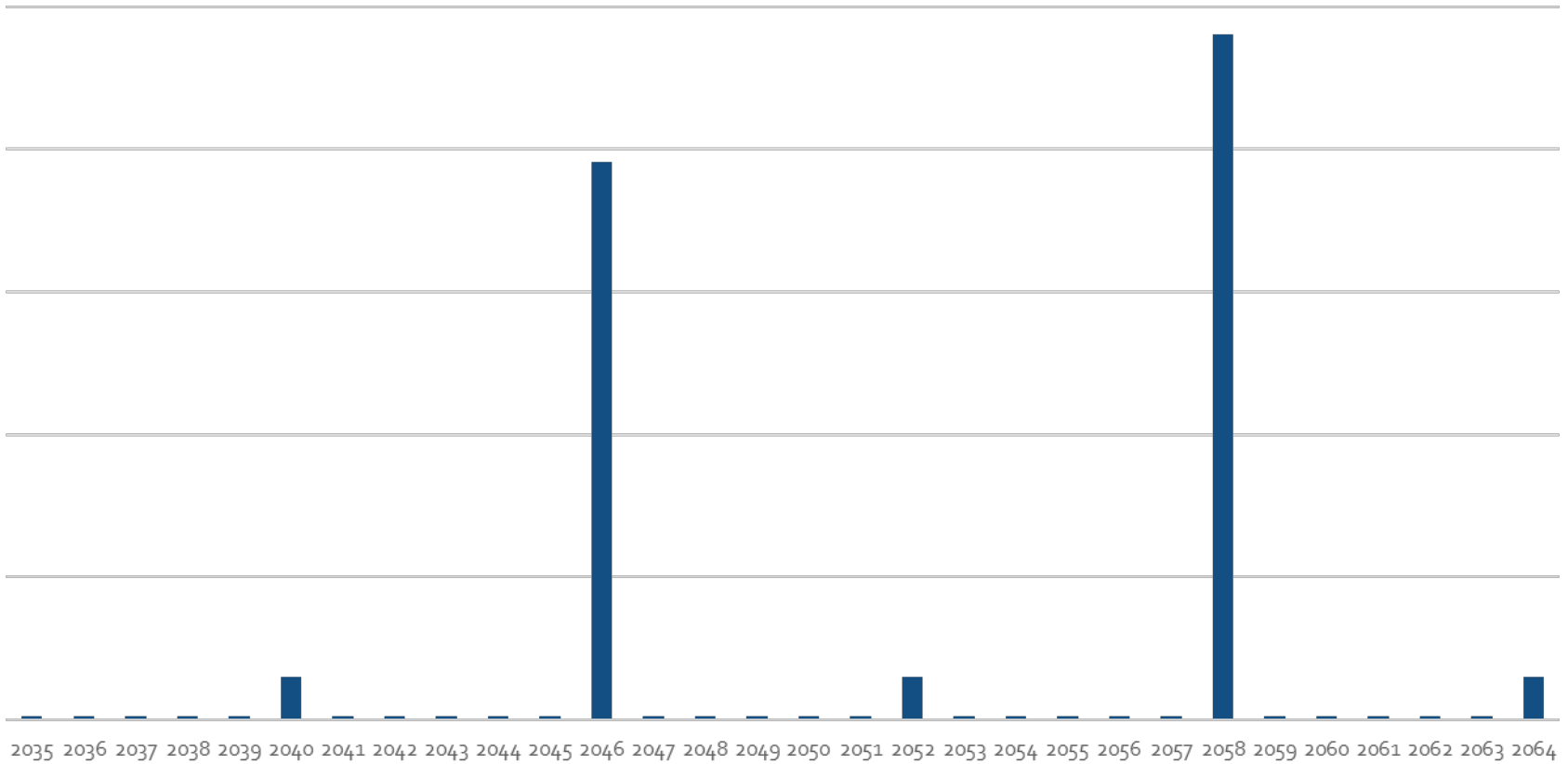
Location	No Action Alternative	Estuary Alternative
Olympia Yacht Club	1.7	6.18
Other West Bay Private Marinas and Marina Access	0.83	3.2
Port of Olympia/Turning Basin	0.87	3.1
FNC (excluding Turning Basin)	0.04	0.1

Estimated Average Dredging Frequency

Location	No Action Alternative	Estuary Alternative
Olympia Yacht Club	23 years	6 years
Other West Bay Private Marinas	47 years	12 years
Port of Olympia/Turning Basin/FNC	42 years	12 years
Marina Access	Unknown	24 years



Capital Expenditures across 30 Years



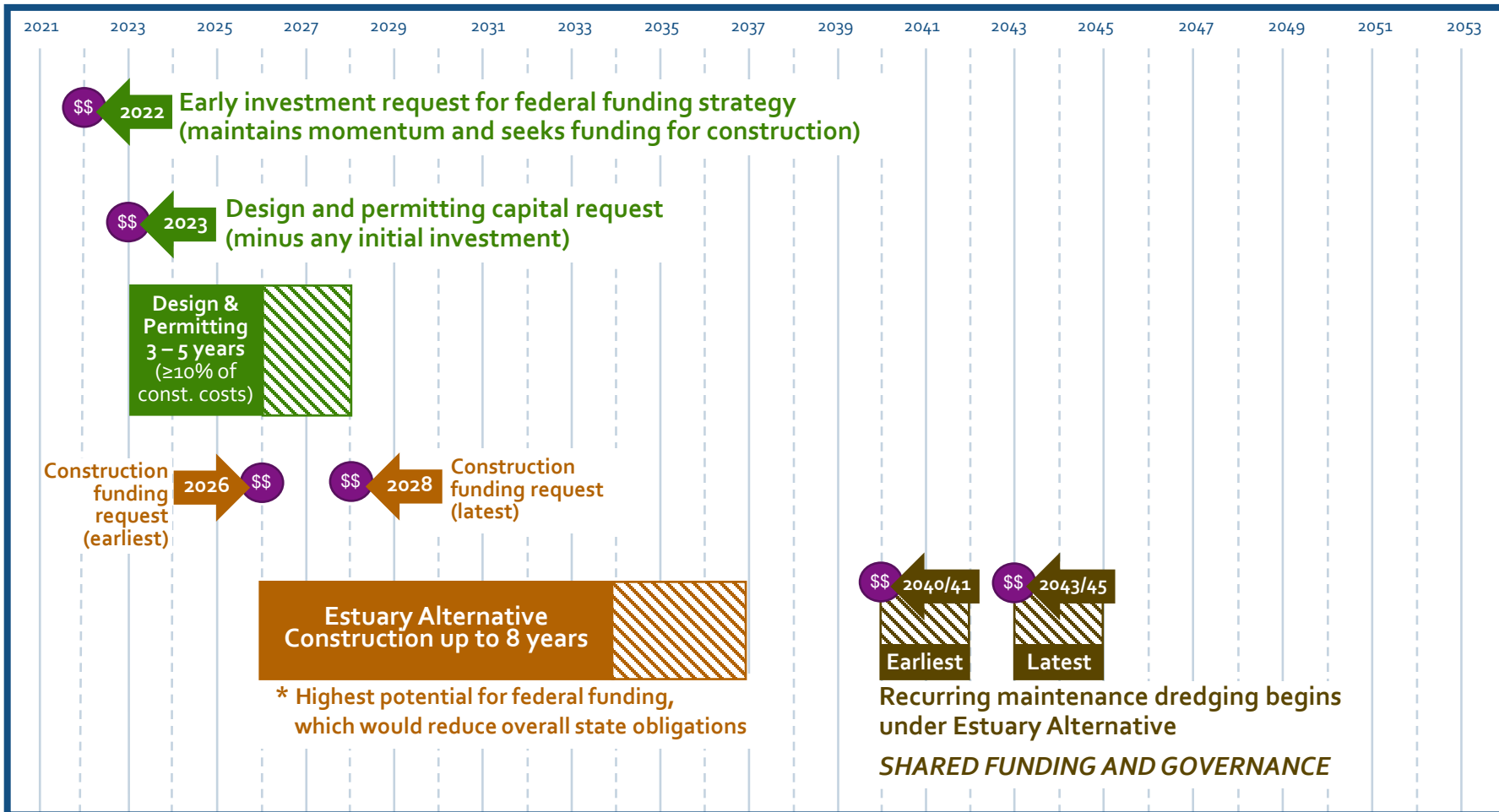
Estimated \$48 – \$101M over 30-year project time horizon for in-water disposal



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Potential Timeline of Capital Requests



Recurring maintenance dredging begins under Estuary Alternative
SHARED FUNDING AND GOVERNANCE

State biennium

Supplemental budget year



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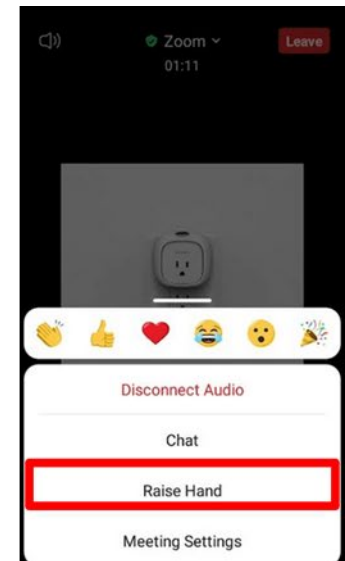
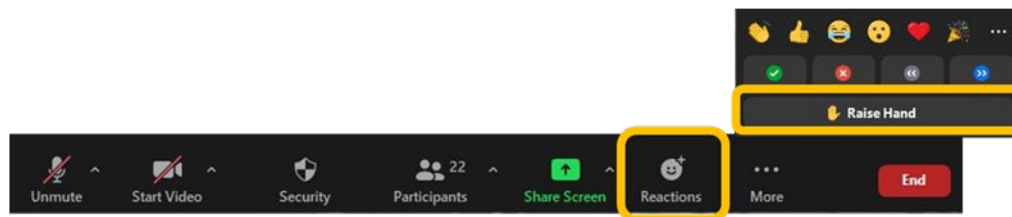
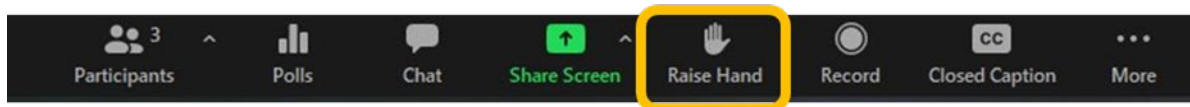
Next Steps

- ✦ April FGWG Meeting:
 - Tuesday 4/13, 2 hours between 10:30-1:30
 - Tuesday 4/19, 2 hours between 2:30-5:00
 - Begin outlining internal decision-points, processes and timelines
- ✦ Meetings with FGWG/EWG membership teams: late April and early May
- ✦ Schedule May, June, August, and September meetings



Public Comment

✦ To virtually “raise your hand”



✦ Comments on agenda items may also be emailed:
info@CapitolLakeDeschutesEstuaryEIS.org

