



CAPITOL LAKE — DESCHUTES ESTUARY

Long-Term Management Project Environmental Impact Statement

FUNDING AND GOVERNANCE WORK GROUP

April 19, 2022

Meeting Agenda

- ✦ 10:00 Welcome and Introductions
- ✦ 10:10 Walk through roles/responsibilities and decision process
- ✦ 10:30 Governance framework: recap and discussion
- ✦ 11:30 Funding strategy: Key questions and next steps
- ✦ 11:40 Assignments for individual meetings and next steps
- ✦ 11:45 Public comments
- ✦ 12:00 Adjourn



Stakeholder Support

- ✦ Broad agreement that action must be taken; no action is not an option
- ✦ Agreement on shared funding and governance allows this project to move forward after years of study



FGWG Existing Recommendations

Estuary Alternative	Design, Permitting, & Construction Costs	30-Year Maintenance Dredging Costs if <u>In-Water Disposal</u> (Assumed)	30-Year Maintenance Dredging Costs if <u>Upland Disposal</u> (Cannot be Excluded)
Planning-Level Cost Estimates	\$131 – \$235	\$48 – \$101	\$179 – \$336
FGWG Recommendations and Notes	<p>State responsibility</p> <p>High potential for diversified funding to reduce state responsibility (e.g., federal, tribal, philanthropic)</p> <p>Spent over 10 years (2023-33)</p>	<p>Shared responsibility of FGWG and focus of this process</p> <p>Funding and governance would begin after state-led construction, including removal of the state-constructed 5th Ave Dam and restoration of the waterbody</p> <p>In-water disposal is assumed, but inherent uncertainty requires upland disposal to be costed</p>	



Focus of Early Legislative Engagement

- ✦ Keep apprised of progress for long-term sediment management
 - Critical to project success and area of key focus for stakeholders
 - Fundamental to maintaining commercial and recreational navigation in West Bay and avoiding impacts
- ✦ Track potential needs for future legislative action and provide strategic guidance to FGWG
 - E.g., code amendments to accommodate shared governance
- ✦ Bring information back to legislature and increase legislative support
 - Build awareness for timing and approach to overall funding strategy
 - Ensure no surprises in future capital asks for design/permitting and then construction
- ✦ Speak to tangible outcomes from this process
 - Remind stakeholders at all levels that not taking action is an unacceptable outcome
 - Estuary restoration best supports a range of tribal, federal, state, and local goals



FGWG Roles, Responsibilities, Decision Framework

FGWG Representative

- ✦ Represent the interests of their organization
 - Communicate to **organizational leadership** about process and F&G strategy options
 - Communicate to **FGWG** about input from **organizational leadership**
- ✦ Provide advice on FGWG strategy development
 - Assist in identifying and defining funding and governance options
 - Provide technical advice on funding and governance options
- ✦ Facilitate progress towards a negotiated F&G outcome
 - Ensure issues are identified and addressed through the FGWG process
 - Identify support needed for **organizational leadership** to reach formal agreement
 - Facilitate internal meetings as needed through FGWG process to promote ongoing coordination



FGWG Roles, Responsibilities, Decision Framework

Organizational Leadership

- ✦ Organizational leadership includes Executive Work Group members and others as specific to each organization
- ✦ Have final decisional authority to adopt a F&G strategy
 - Work with **FGWG representative** to communicate input to **FGWG**
 - Engage in individual meetings with **FGWG support team** to discuss F&G options and strategy development, including no-go positions



FGWG Decision at Final Agreement

Collaborative Decision-Making Process

- ✦ FGWG membership develops and recommends a governance structure and funding strategy to their organizational leadership to formally sign
- ✦ Success is obtaining sufficient support for legal agreement and funding strategy to ensure long-term management



Recap: Governance Models

Governance Models								
	Description	Formation	Membership	Leadership	Powers/Authority	Revenues	Examples	Takeaways
"Must Haves"	N/A	- Forming entities have power to create/enact	- Must state continue to be involved? (Part of Phase 1 Guiding Principles)	- Ability to set/carry out goals - DISCUSSION Level of autonomy and authority? - Funding entities have control over decisions	- Basin-wide actions - Employ Staff - Enter Contracts - DISCUSSION Own real estate?	- Sufficient to cover dredging. - Stable, predictable - Ability to issue debt - Control over it's own finances		
Status Quo	Facilities owned/maintained by individual entities. - Ad hoc coordination/funding - Each entity can block goals and actions of others. - Limited ability for any individual entity to move	Do not change existing structures.	No independent entity	No independent entity	Each entity has own authority w/in own geographic area. - No independent/central authority	Each entity has own revenue sources and authority.		- No agreed upon goals or central authority to carry out goals - Entities each have hiring, contracting and real estate authority. - Various funding sources, but not stable or predictable.
Special Purpose District	- New public entity with set geographic boundary to collect revenue and spend it on specified public services.	- Landowner / citizen petition - County legislative motion - May require public vote depending on type of district	- Defined by legislation creating SPD. - Members are generally the residents of the district and not the subsidiary entities.	Leadership depends on type of district. - May be elected or appointed from members, or use existing leadership from the relevant body (e.g., county commissioners).	- Set by authorizing statute, but creating entity oversees. - Any public purpose, but may be geographically limited. - Yes eminent domain - Can own real property if part of enabling legislation.	- Set by authorizing statute - Special assessments - Bonds/Levies - Taxes - Rates - Charges	- Olympia Metropolitan Park District - Thurston County Parks & Recreation District - King County Flood Control District	- Independent entity with defined boundaries. - May require vote(s) to form. - Can set and carry out own goals. - Independent hiring, contracting, and (if granted) real estate authority. - Several funding sources
Public Development Authority	- New quasi-municipal corporation created for a specific project. - Authorized by RCW 35.21 - Multi-jurisdictional under RCW 39.34 (Interlocal Agreement)	- Adoption of charter by the "host" jurisdiction by city or county ordinance or resolution. - Can be created through/with an interlocal agreement.	- Flexible. Can include municipalities, tribes, agencies (including by interlocal agreements), key stakeholders, and/or general public (dues-paying members).	- Governing Board with specifics determined in charter. Can include municipalities, private sector participants, etc.	- Set by charter. - Any public purpose. - No eminent domain. - Can hire, contract, own real property.	- Set by charter. - Cannot directly levy taxes, but can issue tax exempt bonds. - Can receive tax and other gov't revenues from members or related orgs. - May directly seek grants and donations.	- Foss Waterway Development Authority - Pike Place Market - SCORE Public Dev't Authority (Interlocal)	- Independent entity based on purpose and carry out goals. - Flexible governance w/ power to set and carry out goals. - Independent hiring, contracting, real estate authority. - Flexible revenue acceptance - cannot offer for specific projects
Legal Agreement	- A binding written document stipulating signatories' requirements, responsibilities, and payment amounts.	- Dependent on specified legal agreement	- Signatories of Agreement. - Restrictions on public-private partnerships may apply.	- Dependent on type of specified legal agreement - Level of independence set by the agreement.	- Set by Agreement. - Any public purpose. - Eminent domain only through member gov'ts. - Hire, contract, own real property only through members	- Binding agreement re payments from entities. - Set by the Agreement. - Enforcing duties could be difficult.	- Chesapeake Bay Model - Commonly used to define public-private partnerships for development projects	- Written Agreement among entities contracting, real estate authority. - Revenue through entities but subject to entity decisions.
Non-profit	- Organization created under IRS Sec. 501(c)(3) to accept and use revenue for public purpose. - If formed by public entity, also considered a public entity, but some grey areas.	- File articles of incorporation	- Defined by articles. - Flexible.	- Board of Directors - Bylaws can be flexible.	- Subject to restrictions on "business activities" (for profit). - No eminent domain - Can hire, contract, own real property. - Can be vague whether public or private	- Direct contributions - Can issue tax-exempt bonds ("B3.20 Financing"), but very complicated.	- Conservation Trusts - Watershed Councils	- Non-governmental entity - Can set and carry out own goals. - Subject to IRS rules on independent hiring, contracting, real estate authority. - Flexibility in revenue acceptance, but no authority. - Public/private distinctions often
Joint Municipal Utility Authority	- An agreement among existing municipalities or service providers to coordinate on utility provision, as authorized by the Joint Municipal Utility Services Act (39.106 RCW)	- Approval by each of the member jurisdictions - Agreement filed with WA Secretary of State - Becomes a new municipal corporation.	- Limited to existing utility providers or entities that already have contracts for utilities and tribes.	- Board of Directors	- Broad powers; limited to "utility services" broadly defined to include "management of stormwater, surface water, drainage, and floodwater." - Eminent domain if all members have. - Explicit power to hire, contract, own real property.	- Any revenue source that its members are eligible to leverage or receive.	- Cascade Water Alliance	- New Legislation - Independent entity w/multiple gov't members. - Can set and carry out own goals. - Restricted to "utility services" - broad definition that includes water management. - Independent hiring, contracting, real estate authority. - Flexible revenue acceptance and authority - can be stable.

Governance Models

- Special Purpose District
- Public Development Authority
- Legal Agreement
- Non-Profit
- Joint Municipal Authority



Recap: Governance Models “Must Haves”

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“Must Haves”

- Power to create/enact
- State/Local participation
- Ability to set/carry out goals
- Funding entities have control over decisions
- Basin-wide actions
- Employ staff; Enter contracts; Own real estate?
- Stable, predictable, sufficient revenues
- Ability to issue debt
- Control over finances



Governance Decisions and Timing

✧ Substantive decisions

- Membership
- Scope
- Duration
- Budget
- Long-Term Funding
- Withdrawal
- Property Ownership/Leasing
- Form of Entity/Entities (ILA/Non-Profit)

✧ Decision Timing

- Member Approval Timeline
- Legislation Timeline

✧ Note

- These bullets are highlights
- Numerous other governance topics will need to be addressed



Restored Estuary Governance

✦ Manage Sediment

- Annual bathymetric surveys in West Bay
- Recurring maintenance dredging in West Bay

✦ Water Quality

- New 5th Avenue Bridge that allows tidal flow beneath

✦ Improve Ecological Functions

- Implementation of Habitat Enhancement Plan to maintain ecological functions
- Staffing of decontamination stations

✦ Enhance Community Use

- Security and oversight for restored boating and fishing and other recreation in the waterbody
- Maintenance of boardwalk adjacent in Middle and South Basins



CAPITOL LAKE — DESCHUTES ESTUARY

Long-Term Management Project Environmental Impact Statement

Deschutes Watershed Council

- ✦ Request from Olympia and other stakeholders to consider Deschutes Watershed Council
- ✦ The WRIA 13 Committee recommends creating a Deschutes Watershed Council to:
 - Implement the plan [Watershed Restoration and Enhancement Plan]
 - Provide a structure for collaboration on projects
 - Identify, recommend, and implement actions to offset impacts from new water right applications, transfers, and changes, and other water use that impact streamflows
 - Address water quality issues
- ✦ Proposed implementing entities include Deschutes Estuary Restoration Team (DERT); Tribes; local governments; other stakeholders



Recap: Funding Allocations

FGWG Guiding Principles

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



Individual FGWG Meetings

- ✦ Individual meetings scheduled for last week of April and first week of May
 - Make sure the right people are in the room
 - Develop timeline for your internal decision-making on key policy decisions within the legal agreement; and for signature this fall
 - Bring feedback on potential funding strategy
 - Thoughts on potential approach for overall funding strategy
 - Key considerations for/from your organization
 - Must-haves and/or non-negotiables

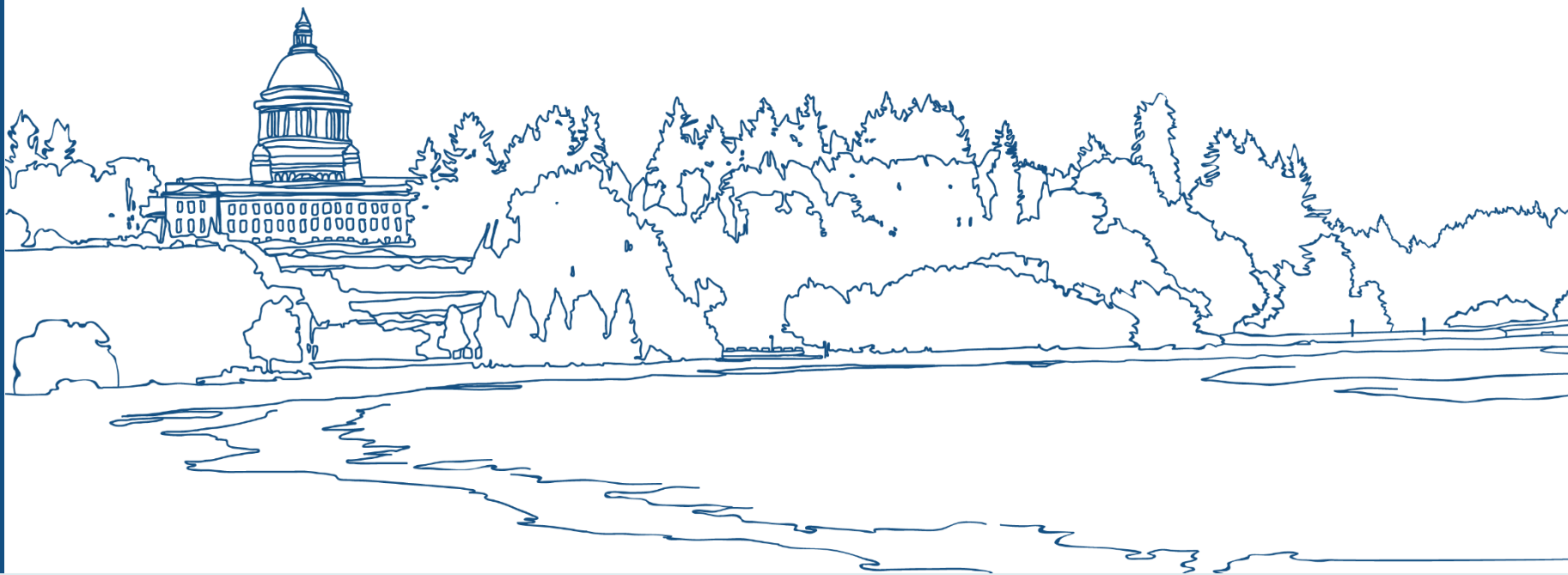


Next FGWG Meetings

- ✦ Please respond to Doodle poll at your earliest convenience
- ✦ Next FGWG meeting May 23 (anticipated)
 - Proposed governance model and funding strategy
- ✦ Redundancy in FGWG meetings
 - Identify consistent partner for future meetings
 - Coordinate with counterpart between, before and after meetings



Questions?



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