

**Nisqually Planning Unit Meeting
May 15, 2019, 9:00am-12:00pm
Thurston PUD**

Present:

Lisa Dally Wilson, Dally Environmental
George Walter, Nisqually Indian Tribe
Gary Bahr, Dept. of Agriculture
Kevin Hansen, Thurston County
Kaitlynn Nelson, Thurston County
Julie Rector, City of Lacey
Paul Pickett, Squaxin Island Tribe
Mike Noone, Dept. of Ecology
Tom Kantz, Pierce County

Matt Curtis, WDFW
Justin Hall, NRF
Jesse Barham, City of Olympia
David Troutt, Nisqually Indian Tribe
Abby Gribi, Eatonville
Paula Holroyde, LWV
Parker Giebelhaus, Dept. of Ecology
Emily McCartan, NRF

1. Agenda, Minutes, and Introductions

Lisa reviewed the agenda, and no additional items were proposed. March meeting minutes were distributed. They will be approved in June. Ecology provided guidance on referring to streamflow restoration projects as offsets (not mitigation).

April Work Group Summary: Participants at the April small group meeting developed a list of study or planning projects that would help bring offset actions to a grant-ready stage (distributed to attendees). The study list developed in April assumed that additional planning funding would be available, but there will not be, so more projects were brainstormed than can be funded within the PU's existing resources. \$46,000 is available to spend through the end of the year. \$23,000 has been allocated for Lisa's time through June 30, leaving \$23,000 remaining for any potential studies. Funded activities need to be completed and billed by December 31, 2019. The intent of the project proposals is to develop grant-ready proposals, not to complete an entire project. It was also noted that these projects do not include several major projects (Yelm wastewater, Community Forest) that are already developed and in progress.

Streamflow Restoration Grant Timeline: Ecology reported that there will not likely be another grant round for Streamflow Restoration Projects initiated this year. The funding rule should be finalized on June 20. They anticipate announcing funding guidance, scoring criteria, and application language in October 2019, with grant round initiated early 2020 (February-March, per Bennett Weinstein) and awarded mid-2020. PU members noted that there will be more competition by 2020 with other WRIs working on developed plans and projects. Mike spoke with Nisqually Land Trust last week, and hopes to be moving forward on the awards from the first round soon.

Sustainable Funding for Nisqually Watershed Planning: Lisa summarized the 2009 white paper addressing the problem of having projects and ideas but no funding to implement. Options include forming a new special purpose district or using an

existing special purpose district such as an Aquifer Protection District. These are typically implemented by County and would not cover the entire watershed. Interlocal agreements are also an option. One option would be to have the Nisqually River Foundation act as a fiduciary and administrative support for watershed planning activities. PU members discussed that tracking mitigation was likely to be best handled at the county level across multiple WRIAs. Pierce and Thurston County are internally discussing how best to address these needs in balance with existing systems and limitations. Pierce County has Surface Water Management fees but are hesitant to increase them. Thurston Stormwater Utility would not cover this type of work unless Thurston County made a change. Ecology noted that streamflow restoration funds can't be used to support (or count offsets from) projects required by other laws, but might be permitted for projects that go beyond existing requirements. Ongoing conversations are needed. The Planning Unit set a 2019 goal to update or create a new funding strategy. George will reach out to other PU members to get this effort going and update the sustainable funding paper by the end of 2019, to include the needs created under ESSB 6091.

2. Discussion of Projects for Development

The PU discussed and voted on the proposed study/development list from the April work group to identify which are top priority to move forward, either within the PU's small budget or with funding from other entities.

Proposal 1: Preliminary Managed Aquifer Recharge Assessment

Lead Proponent: Pierce County/ Thurston County

Consultant: EA

Estimated Cost: \$46,000

Description: Evaluate proposed MAR sites for feasibility and benefits (current proposal could be amended to focus on other sites).

Discussion: Study was previously presented in March by Dave Nazy. Scoped based on John Covert's identified sites, which were located on the Nisqually River and didn't offer tributary basin offsets. Dave has offered to reassess for alternative sites with up-basin potential. Ecology has highly ranked this strategy. Concerns that it may not be applicable in many basins where offsets are needed, due to the hydrogeology. Diverting flow for storage might require changing closure rules in some areas. It was suggested that this assessment be integrated into Proposal 4.

Votes: 1

Proposal 2: Proof-of-Concept Mitigation Project Modeling

Lead Proponent: NIT/PUD

Consultant: PGG

Estimated Cost: \$7,430

Description: Model baseflow impacts from replacing existing shallow wells with deeper water sources

Discussion: Feasibility study of one small system in Muck Creek which the PUD has identified as needing upgrades. Study would look at cost, water quality, and downgradient impacts of deepening the source of this system. Analysis would also address whether system capacity could be expanded, reducing new PE wells. If it works on one system, the study can be replicated at other sites or identify questions/challenges for doing at other sites. This proposal does not include well rehab or drilling. The hope is that this study would help address the claim that drawing from a deeper aquifer would enhance surface flows/aquifers.

Votes: 5

Proposal 3: Eatonville Alternative Water Supply

Lead Proponent: NIT

Consultant: Anchor QEA

Estimated Cost: \$15,000

Description: Develop conceptual designs for two alternative town water sources

Discussion: This has been part of watershed planning discussion for years. Mashel River has very low summer flows. Eatonville can't always take their full water right in the summer time. Demand is anticipated to grow. Want to know if it would be feasible to pump water from the Nisqually side of the divide and put it in the Mashel, making water available for Eatonville and streamflow. Contractor could do a sole-source report on feasibility. Would have a lot of water right issues but would put water where fish and people need it (and study approaches to avoid false attraction issues for fish). Comparable to a streamflow restoration grant that the same contractor received for Snoqualmie. TPU would need to be included in the discussion. Pack Forest might be a potential customer and should also be contacted.

Voting: 6

Proposal 4: Prairie/Bald Hills Sub-Basin Habitat Assessment/ Prioritization

Lead Proponent: Pierce County/ Thurston County/NIT

Consultant: TBD

Estimated Cost: \$50,000 (subject to refinement)

Description: Identify sites for habitat restoration, water right acquisition, MAR, etc. based on multi-factor analysis

Discussion: Goal is to integrate these various offset/habitat tools across the landscape where they are best used and where overlapping opportunities could yield multiple water and habitat benefits. Incorporate aspects of WWT water rights assessment and MAR study, focused in areas with expected PE well growth. Consultant should meet with technical advisory group (PU, fisheries, county staff) to provide direction and review products. Consultant would pull together available info from other sources (salmon recovery, Muck Creek basin plans) for strategy. GIS capacity would be important to develop maps of the

sub-basins combining these data. Projects will need objective criteria for ranking/prioritization based on cost-benefit analysis. Counties and NIT noted this work is a major priority, but raised concerns about staff capacity, which is too limited to do more than a day or two of work with a consultant this year.

Votes: 8

Proposal 5: Prairie Sub-Basin Water Rights Assessment Phase 2

Lead Proponent: Pierce County

Consultant: WWT

Estimated Cost: \$43,500

Description: Further refine analysis of available water rights through technical document review and field review

Discussion: WWT presented this proposal at the March PU meeting. It would be good to take advantage of work that they've done already before it is out of date. It could address a significant portion of Pierce County's offset needs. Combining it with Proposal 4's habitat assessment would address some earlier comments from NIT about strategically implementing strategies that could maximize habitat benefits. This proposal is ready to fund without further development. Pierce County could not fund before 2020 at the earliest.

Votes: 0

Proposal 6: Eatonville Stormwater Projects

Lead Proponent: Town of Eatonville

Consultant: AHBL

Estimated Cost: \$10,500

Description: Update project scopes and cost estimates for CIPs in Eatonville Comp Stormwater Plan.

Discussion: 2013 Stormwater Comp Plan identified projects that would have positive flow benefits (estimated in 2019 Watershed Plan Addendum). This study would individually scope out 6 projects to be grant-ready (based on 2018 grant guidance). These projects would then be essentially shovel-ready for multiple-benefit projects. Eatonville does not have the resources or personnel to update the project scopes this year, but consultant could do it.

Votes: Removed from voting list; Nisqually Indian Tribe committed to funding.

Proposal 7: VELMA Model for Bald Hills Sub-Basin

Lead Proponent: NIT

Consultant: EPA (NRF facilitation)

Estimated Cost: n/a

Description: Refine forest management modeling for Bald Hills site.

Discussion: Per conversation with Justin, the EPA office at OSU has said they can't accept funding but they expect to have funding available to do it at no cost. The grant application for this acquisition did not succeed due to lack of technical support; this would address that with more specific modeling. There might be match funding available for the acquisition this year to reduce the amount requested of Ecology. Thurston County and Squaxin Island Tribe noted interest in having a VELMA model for the Deschutes watershed as well, although with concerns about how long it might take.

Votes: Removed from voting list; will request EPA perform the model.

Proposal 8: Policy System for Counting Offsets

Discussion: Not addressed in legislation, but it needs to happen. Offsets will come from lots of different places and need to be tracked. Counties will need to bring it up in other WRAs – it is not practical to have a different system for each WRA across a county. Pierce County Regional Council has a UGA bank which Dan Cardwell was involved in developing – potential model. David noted that the Tribe doesn't see this process as concluding with meeting the bare minimum of Hirst/6091 requirements. Managing a watershed is a “forever” project. We need to track impacts and mitigation at a sub-basin level and NEB at the total level. There isn't a finish line when we can stop thinking about it. Habitat improvement is a core part of the Nisqually watershed plan, to which this process is an addendum. It is not a short-term endeavor.

Voting dots were distributed to each participating agency. Proposal 4 received the most votes, but funding needs exceed what's available to the Planning Unit. It is likely to be the core of the Planning Unit's ongoing work. PU funding could cover Proposals 2 and 3 and bring those projects to a grant-ready stage. Thurston County noted concerns about equitably addressing Thurston County needs with PU resources, and emphasized the importance of moving forward on Proposal 4 as well.

Decisions:

- Develop a full scope with criteria and deliverables for Proposal 4 (Habitat/Multiple Benefit Analysis) – *Kevin Hansen, with input from Tom Kantz and NIT by 6/3.*
- Contract with PGG on Proposal 2 (Proof of Concept Mitigation Study) – *George Walter by 5/20.*
- Reply to Anchor QEA, Dave Nazy and WWT – *George, by 5/16.*
- Request Bald Hills VELMA model from EPA team – *Justin by 6/3.*
- Update sustainable funding proposal – *George, by 12/1/19.*

3. Response to Ecology's Technical Review/Tiering

George, David, Lisa, Kaitlynn, Matt, and Emily will draft a response letter summarizing concerns with the Tiering and articulating PU priorities. Mike Noone

noted that Ecology's tiering reflected how hard the numbers were in the estimates provided in the Addendum, not the validity of a particular type of project.

There was no public comment.

Next Meeting: Wednesday, June 12, 2019 – Thurston PUD.