

Meeting Minutes – Nisqually Watershed Planning Unit

October 17, 2018 – 9:00 a.m. – 12:00 p.m.

Thurston PUD

Present:

Lisa Dally Wilson, Dally Environmental
George Walter, Nisqually Indian Tribe
Mike Gallagher, Dept. of Ecology
Rance Smith, Pierce County
Matt Curtis, WDFW
Julie Rector, City of Lacey
Russ Olsen, Thurston PUD
Justin Hall, Nisqually River Foundation
Jesse Barham, City of Olympia
Allison Osterberg, Thurston County

Tom Kantz, Pierce County
Abby Gribi, Town of Eatonville
Lois Ward, NRC CAC
Emily McCartan, Nisqually River Foundation
Gary Bahr, Dept. of Agriculture
Grant Beck, City of Yelm
John Weidenfeller, Thurston PUD
Tom Culhane, Dept. of Ecology
Gary Stamper, Lewis County

1. Introductions, Agenda, and Minutes

The prior minutes were approved with edits. The agenda was approved with the addition of Ecology budget discussion, SEPA, and Hirst conference recap.

2. Planning Unit Working Agreement

The final draft of the working agreement was circulated earlier. Lewis County, Pierce County, Thurston County, City of Lacey, City of Olympia, Thurston PUD, WDFW, CAC, and Ecology provided signatures. Yelm, Eatonville, and the Tribe will provide signatures to Emily next week.

The final sub-basin map is now final and has been approved by Ecology. It will be included in the report and used as the basis for water use estimates and mitigation groupings by sub-basin. The map and other PU documents are available on the Nisqually River Council's website at <http://nisquallyriver.org/nisqually-water-planning/>.

3. Ecology Funding/Grant Status

The Planning Unit has up to \$150,000 in Ecology funding available for planning work. Roughly half is currently committed. If needed, we could ask Ecology to amend the grant for small (under \$10,000) expenses supporting project grant preparation for next year or other planning work past the February deadline. Some funds might be reserved for technical support in estimating flow benefits after action lists are developed for the plan addendum (Ecology noted that quantifying flow benefits will be an important evaluation criteria). It would also be helpful to have a consistent approach to quantifying impacts when comparing projects. Communication and outreach tools to inform the public and elected officials about the plan should also be considered.

Project grants in development for the current grant cycle (ends Oct. 31):

- 1) Community Forest/headwaters of Mashel Watershed

2) Powell Creek – 250 acres of timberland acquisition (NLT)

3) Culvert Removal at Powell Creek (Thurston)

The Eatonville Stormwater project that could divert Lynch Creek outfall back to the Mashel River will probably go forward next cycle because the project development, bandwidth and expertise isn't currently available. Olympia/LOTT also have a project idea they are floating for a future cycle. The Planning Unit should offer a letter of support (send to Mary Verner) for each grant application. Ecology will abstain from signing. There is no matching requirement at this time.

4. **CAC/Public Information Session – 10/11/18**

10 members of the NRC Citizens Advisory Committee attended last Thursday's public information session. George Walter, Kevin Hansen, Tom Kantz, and Emily McCartan presented background on the Hirst decision, Nisqually hydrology, and current status of planning. Comments and questions from CAC members included:

- The most important priority for water planning is salmon recovery and ensuring adequate streamflow for fish populations.
- Climate change effects, glacier and snowpack loss, deforestation, mining and industrial uses of water, and habitat loss should all be considered in watershed planning. The PU noted that while streamflow benefits projects may be driven by this exempt well planning process, it can also pay into the more significant impacts from climate change.
- Exempt wells are a relatively small portion of the region's overall water budget (compared with irrigation, large well systems, and other uses) and hope that consideration will be given to these other major uses in water planning for salmon recovery.
- Concerns about unintended consequences from deeper-aquifer drilling should be thoroughly addressed.
- Is metering being considered? How are wells and instream flows monitored and enforced?
- What mitigation strategies is the PU considering? Who is responsible for implementing them?
- What happens to County CWA fees? What fee structure alternatives is the PU considering?

The Tribe's press release on the Planning Unit has been distributed. The Nisqually Valley News interviewed George and will have an article in the coming weeks.

5. **Watershed Addendum**

Lisa distributed the draft outline of the Addendum for discussion of the chapters and work group inputs.

Forecasting: Consumptive water use estimates will be shown two ways, consumptive portion of the legal right (3,000gpd) and consumptive portion of actual estimated indoor and outdoor use. Direct offsets for mitigation will be for actual water use, and larger scale projects (macro projects) that provide a net ecological benefit will be considered as mitigation for legal right limit. Counties will provide background on their growth assumptions for rural and UGA areas.

Mitigation: Two types of mitigation: 1. Projects, and 2. policies/other tools. Other tools could include improvements to existing Group A or B system infrastructure, establishing Yelm’s deep aquifer water right to bring 1,000 connections onto municipal water, Water Right acquisition and retirement, expanding Group A and B systems to prevent exempt wells, and others. Projects may include those with multiple benefits (land acquisition, habitat improvement projects, floodplain restoration). Ecology has indicated it would be worth having a short writeup from each county about areas to target for future opportunities, including passive storage in flood-prone areas. George noted that because the central part of the watershed is mostly prairie, storage is actually the aquifer and flooding is driven by groundwater level rise. The Habitat Work Group may be able to come up with cross-disciplinary ideas for projects in Pierce and Thurston counties. Changes to the Certificate of Water Availability (CWA) fee policy were also discussed. The law states that counties must collect the fee until an updated watershed plan or rules are approved.

Water Balance: The Planning Unit will use whatever quantitative information is available about streamflow benefits from projects. There may not be sufficient information on specific projects to calculate benefits at this time. Ecology suggested framing this chapter as Net Ecological Benefit to explain reasons for focusing on macro upper-watershed projects. Having a point system allow comparison of benefits for different projects was also suggested (there is an existing model from the Olympia-Lacey-Yelm mitigation study).

Implementation: To include monitoring and adaptive management. . It was suggested that the Planning Unit monitor actual growth in the watershed over time to check the assumptions for this Addendum as part of the Adaptive Management process. There is generally support for offering a menu of implementation options with different benefits, to allow counties and municipalities flexibility in implementation. Metering is not required under the law, but could be included as a recommendation in the addendum, which would give the option to monitor wells in the future even if it’s not used right away. Monitoring for small impacts may be a challenge given the margin of error for some stream gauges. Metering and monitoring are expensive to implement – would be eligible under the current streamflow restoration grant criteria but may not receive highest priority.

6. Schedule for Completion

Final write-ups from the Forecast Work Group are due to Lisa on 10/24, with the final chapter due on 11/6 for approval at the 11/14 PU meeting. The Habitat Project Group list of projects and concepts was due on 10/12 with an outline due next week 10/23. The Other Strategies Work Group outline was due 10/12. The group plans to meet with George next week to develop a full list of which strategies to include in the addendum. Ecology advised that John Covert is available to meet to discuss managed aquifer recharge, if desired.

The Planning Unit accepted the schedule.

5. **Work Group Reports**

Water Forecasting:

Thurston County forecasts were developed for two scenarios, one based on actual consumptive use, one on legal consumptive use. A primary assumption is use of annual average data (based on 2015-2017 annual PUD data, rather than highest month). Legal right bounds the upper end.

Pierce County used the same assumptions as Thurston County for legal vs. actual consumptive use. Forecasted permit-exempt well growth for a low range and a high range of population growth forecasted by 1.) Puget Sound Regional Planning Commission and 2.) historical exempt well growth. The largest growth is expected in the Prairie Tributary sub-basin. The low-end estimate was determined to be too conservative for the plan, so it will be included in county background discussion but only the high range estimate will be included in the addendum.

Lewis County – Lewis County will also use same assumptions as Thurston County for consumptive use estimates although they do not expect much outdoor use. Almost all developments are forested/vacation properties. Instream flow rules are not established for the Upper Nisqually, so it's not closed for future appropriations. However, Ecology advised that small flow reductions in upper tributaries could slightly increase the likelihood of the mainstem lower Nisqually not meeting its flow requirements. Ecology suggested that more detailed spreadsheets should be attached, along with the writeup, in the final addendum.

Natural Resource Projects:

These projects are mostly macro mitigation rather than addressing micro (per-well) mitigation. PU members including the Tribe noted that it makes more sense to develop detailed description of salmon and flow benefits per project during the project grant application phase, not in the plan addendum. Doing it now would be a substantial burden and outdated quickly. Ecology noted that during review of the addendum, they would expect enough quantifiable detail to demonstrate that Net Ecological Benefit would be achieved, factoring in uncertainty. The addendum should provide detail on the science behind NEB reasoning (modeling of commercial forest management flow benefits, impact of prescribed burns in prairies, etc.).

Other Strategies:

A top strategy for well-per-well mitigation remains establishing Yelm's water right for a new deep-aquifer utility well, which offers substantial offset opportunity for the Yelm/Thompson sub-basin. It would allow current permit-exempt wells within Yelm's service area to be connected to Yelm city water, making those wells available to decommission and serve as mitigation for new permit exempt wells. Ecology advised that until there is a permanent resolution to the *Foster* decision that enables Yelm to obtain this water right, there is a lot of uncertainty in relying on this as a solution. Yelm noted that the modeling and mitigation already completed for the

initial application fully identified the hydrogeologic impacts, and may have leftover potential mitigation – if there is a *Foster* fix.

Other strategies include creating a mitigation credit system that is available to CWA applicants. George distributed a handout with a potential framework (all numbers are conceptual). Actions would either minimize use, maximize infiltration, or otherwise provide a benefit that would allow new well applicants to offset their use. Ecology noted that this would require additional vetting, and that mitigation actions must be binding in perpetuity as water rights are. The addendum could include this as a general idea for a mitigation scheme at the permitting stage and allow counties to develop the regulatory structure, as they do with stormwater permits. One factor to consider with retiring water rights is the potential impact on the goal of preserving agricultural lands. The PU could also recommend that Ecology lower the legal daily use for an exempt well connection.

6. SEPA

Does NEB allow the PU to request a determination of non-significance for the plan addendum? The original watershed plan was exempt from SEPA but implementing actions are not exempt. Mike will run that up the chain for input.

7. Follow-up Actions

- The Counties will provide forecasting numbers and assumptions to Lisa, and they will circulate to the full PU once corrected as discussed.
- Julie will send Lisa the Lacey-Yelm-Olympia agreement on McAllister mitigation plans with scoring.
- Provide to Lisa and George any additional asks for technical assistance funding. Might need to list those ideas for new grant applications after this plan is adopted with the deadline we have.

Next Planning Unit Meeting: Wednesday, November 14, 9:00am-12:00pm, Billy Frank Jr. Nisqually National Wildlife Refuge