

TO: City Council  
FROM: Lisa Parks, City Administrator  
DATE: October 15, 2024  
SUBJECT: Deschutes Estuary Restoration Project Interlocal Agreement and Boardwalk and Related Infrastructure Agreement

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1) Recommended Action:

Approve and authorize the Mayor to sign the South Basin Boardwalk and Related Infrastructure Agreement between the City of Tumwater and the State of Washington Department of Enterprise Services.

Approve and authorize the Mayor to sign the Deschutes Estuary Restoration Project Interlocal Agreement.

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2) Background:

The Washington State Department of Enterprise Services (DES) will present information related to the final draft of an Interlocal Agreement between the State and area local governments, including the City of Tumwater, to address shared responsibilities for long-term sediment management in a restored Deschutes River Estuary. Below is an excerpt from the agreement describing the background for how this draft agreement came to be.

*“In 2018, the Washington State Department of Enterprise Services began a process to evaluate long-term management alternatives for Capital Lake. To evaluate the alternatives, DES used the Environmental Impact Statement (EIS) process. Through this process, DES carefully considered comprehensive technical analyses, evaluated benefits and costs of project alternatives, solicited feedback from key stakeholders, and reviewed public comments. In 2022, DES issued a final EIS identifying the Estuary Alternative as the preferred long-term plan. The Estuary Alternative involves removal of the 5<sup>th</sup> Avenue Dam, restoration of tidal flats and marsh habitat in the 260-acre basin, construction of physical assets such as a new 5<sup>th</sup> Avenue Bridge, and long-term management of sediment naturally transported into navigational areas of Budd Inlet.*

*Removal of the 5<sup>th</sup> Avenue Dam will also restore natural sediment transport processes. This will result in increased sediment accumulation in navigational areas of West Bay compared to existing conditions, similar to the sediment processes that existed prior to dam construction. Sediment accumulation, if unaddressed, will affect commercial and recreational uses in West Bay including the marinas and, to a lesser extent, the Port vessel berths.*

*At the direction of the Washington State Legislature, DES convened a Funding and Governance Work Group (FGWG) comprising the Parties to explore long-term funding and governance options. The Parties considered several funding and governance options for long-term management of the restored Deschutes Estuary and reached consensus as set forth in this Agreement.”*

The City of Tumwater has been participating in the FGWG process throughout the EIS process, and was a signatory to the Memorandum of Understanding that preceded this Interlocal Agreement. In the MOU, the City agreed to participate with our partners in managing the reintroduced sediment from the Deschutes River into Budd Inlet, and to take ownership and on-going maintenance responsibilities for recreation improvements proposed in the south basin portion of the project area which are to be developed within Tumwater's Historical Park. Some of the other participants in the MOU and this proposed ILA will also have ownership of new improvements within the overall project.

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3) Policy Support:

VISION | MISSION | BELIEFS

- Partnership | We work collaboratively with residents, businesses, and community organizations. We also actively partner with other jurisdictions to address regional, state, and even broader issues.
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4) Alternatives:

Do not approve either agreement.

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5) Fiscal Notes:

The ILA and South Basin Boardwalk Agreement will fiscally obligate the City in two ways. First, the City will take over ownership and maintenance of the recreation improvements within the South Basin area, including the new boardwalk, once construction of those improvements are completed. The costs associated with this in-kind contribution to the overall Deschutes Estuary Restoration project are not known at this time. However, the City is participating in the design of the project and is bringing thought and expertise to that process, ensuring maintenance activities and costs are considered in that design. Second, the City will be obligated to help to “...*fund and govern long-term Sediment Management in navigational areas of West Bay...*”. Estimated costs associated with projected sediment management are identified in Exhibit 4 of the ILA. Tumwater's total projected financial contribution over the term of this agreement (until 2050) is estimated to be \$7,673,000, to be paid in annual payments ranging from \$184,000 to \$507,000.

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6) Attachments:

- A. South Basin Boardwalk and Related Infrastructure Agreement
- B. Deschutes Estuary Restoration Project Interlocal Agreement