

TO: City Council
FROM: John Doan, City Administrator
DATE: September 13, 2022
SUBJECT: Capitol Lake – Deschutes Estuary Long-Term Management Project Update

1) Recommended Action:

Briefing only in anticipation of future Interlocal Agreement and funding commitment.

2) Background:

Long-term management strategies and actions are needed to address issues in the Capitol Lake – Deschutes Estuary project area. In June 2021, the Department of Enterprise Services released a Draft Environmental Impact Statement addressing the options for long-term management. They have identified the likely preferred alternative to be restoration of the estuary. The direction from the Legislature in approving this project was to develop a system for local entities to share in the costs of the project. The Funding and Governance Work Group has been developing a proposal to achieve that requirement.

In a July Worksession, staff from the State and the consultants provided an update on the project including the conceptual approach to how the State and local entities (Tumwater, Olympia, Port, LOTT, Tribe, and County) could be involved in paying for it. Additional information about the project is available at <https://capitolakedeschutesestuaryeis.org>.

3) Policy Support:

2021-2026 Strategic Priority: Be a Leader in Environmental Sustainability

4) Alternatives:

This is a briefing only.

5) Fiscal Notes:

Based on this preliminary agreement and the projected costs, the City's projected total contribution in 2022 dollars is \$2,768,000 through 2050. With estimated cost escalation, it is approximately \$5,000,000. To fund this, staff is proposing an increase to the City's Stormwater Utility of 0.5% in years 2023-2026, 1.0% in 2027-2030, 0.5% in 2031-2036, and 0.5% in each even numbered year in each year thereafter until 2050, the final year under this Memorandum of Understanding (MOU). On a standard stormwater bill of \$13.02 in 2022, this would be an increase of \$0.65. The City of Olympia's contribution is \$4,100,000 in 2022 dollars.

6) Attachments:

A. Preliminary Draft Memorandum of Understanding