

**Long-Term Management Recommendation  
for the Capitol Lake Basin from the  
Capitol Lake Adaptive Management Plan (CLAMP)  
Steering Committee**



**General Administration**  
STATE OF WASHINGTON

September 3, 2009



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Linda Bremer, Director  
Washington Department of General Administration  
210 - 11<sup>th</sup> Ave SW  
Olympia, WA. 98504

Subject: Long-Term Management Recommendation for the Capitol Lake Basin

Dear Director Bremer,

This correspondence transmits a recommendation for the long-term management of the Capitol Lake Basin from the Capitol Lake Adaptive Management Plan (CLAMP) Steering Committee. The Steering Committee was established by General Administration in 1997 and advises the Department on management issues associated with Capitol Lake.

The *CLAMP Ten-Year Action Plan (2002)* directed the committee to undertake an estuary feasibility study. This was completed in 2007. The *CLAMP Plan* also directed the committee to use that report "to determine a long-range management decision" about the lake basin.

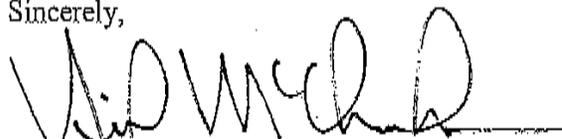
To adequately evaluate the potential management options, the committee found it necessary to prepare a draft and then final report which compared four management alternatives. The *Final CLAMP Alternative Analysis* report was completed in July 2009. The CLAMP steering committee used the Alternative Analysis report to inform its recommendation.

As a separate document, GA has collected public comments from a variety of sources on the Alternative Analysis process. This *CLAMP Public Involvement Summary* was complete in August 2009. It is considered a companion to the *Alternative Analysis* report.

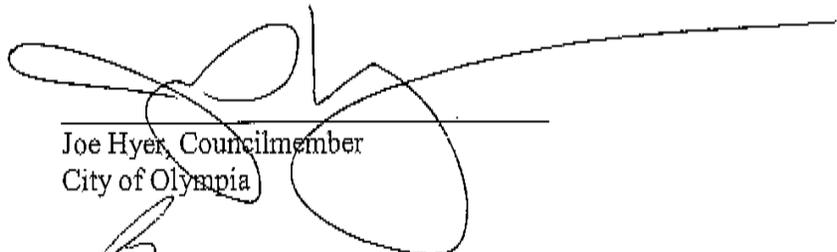
Finally, several of the CLAMP entities have provided additional material to help convey their entity's opinion regarding this recommendation. This material includes transmittal letters and matrices. If you have questions about a CLAMP entity's opinion, you may want to consult these sources.

The CLAMP member entities wish to thank the Department of General Administration for the opportunity to be a part of this adaptive decision-making process. Attached is our Long-Term Management Recommendation for the Capitol Lake Basin.

Sincerely,

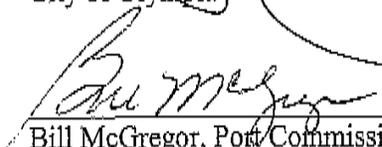


Neil McClanahan, Committee Chair & City Councilmember  
City of Tumwater



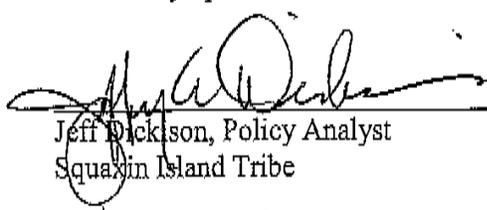
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Joe Hyer, Councilmember  
City of Olympia



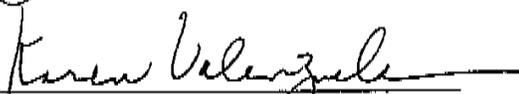
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Bill McGregor, Port Commissioner  
Port of Olympia



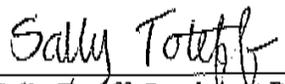
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Jeff Dickson, Policy Analyst  
Squaxin Island Tribe



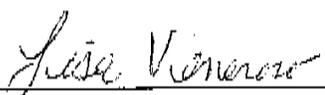
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Cathy Wolfe, Commissioner  
Thurston County Board of Commissioners



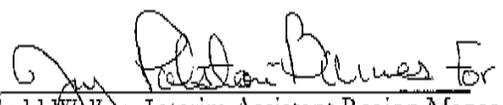
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Sally Toteff, Southwest Regional Director  
WA Department of Ecology



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Lisa Veneroso, Assistant Director for Intergovernmental Resource Management  
WA Department of Fish and Wildlife



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Todd Walker, Interim Assistant Region Manager  
WA Department of Natural Resources

# **Long-Term Management Recommendation for the Capitol Lake Basin from the Capitol Lake Adaptive Management Plan (CLAMP) Steering Committee**

## **Overview**

The Capitol Lake Adaptive Management Plan (CLAMP) Steering Committee advises the Department of General Administration (GA) regarding the objectives set forth in the 2002 *Capitol Lake Adaptive Management Plan*.

An objective of the CLAMP plan directs GA to “Complete an estuary feasibility study to determine a long-range management decision” for the Capitol Lake basin. With the support of the Steering Committee, a series of technical studies evaluating the feasibility of estuary restoration from the perspective of physical, biological, and social sciences, as well as engineering and cost were completed. The Deschutes Estuary Feasibility Study culminated in 2008 with a final report that synthesized these earlier studies and concluded that estuary restoration was in fact a feasible alternative for long-term basin management.

To carry out its charge to advise GA on the issue of basin management, the CLAMP Steering Committee examined four management alternatives: the extension of current management practices allowing the lake to fill with sediments (status quo), actively managing the basin as a freshwater lake, restoring the estuary, and creating a dual-basin with a reflecting pool on the east and an estuary on the west side of the north basin.

The CLAMP Steering Committee moved forward in its examination of these four management alternatives for the basin by commissioning an Alternative Analysis

(2009). This report, based on earlier technical analyses, focused on the following issue areas:

**Environment**

- Water Quality
- Plants and Animals
- Sediment Management

**Economy**

- Infrastructure
- Downtown Flood Risk
- Long-Term Cost

**People**

- Public Recreation
- Cultural and Spiritual Values

After much thought and discussion, the CLAMP Steering Committee now forwards to the Director of the Department of General Administration two management recommendations for the future of the Capitol Lake Basin.

***Recommendation for Estuary Restoration***

The **Department of Fish and Wildlife, Department of Ecology, Department of Natural Resources, Squaxin Island Tribe**, and a majority of the **Thurston County** Commissioners are forwarding their recommendation to return the Capitol Lake Basin to an estuary.

The **City of Olympia** supports improved sediment management, improved water quality, and improved social and economic conditions as significant outcomes. However, it cannot endorse or concur with any of the management alternatives without several prerequisites. The City strongly recommends that the State put in place a reliable, financially supportable, and thorough implementation plan. This must include a long-term financial commitment to achieve the outcomes listed above. Any plan must include a strong and enduring commitment by all entities towards long-term management, an implementation strategy and work

plan that identifies dedicated short and long term funding, and a basin wide approach with key actions in both the upper watershed and Budd Inlet.

These CLAMP entities base their recommendation on the findings of various technical reports that show:

- A fresh water lake cannot meet state water quality standards,
- A restored estuary provides 260 acres of estuarine habitat for diverse populations of native fish and wildlife,
- Community interests associated with the environment, economy, and people need to be addressed in a coordinated and collaborative approach, and,
- A restored estuary improves water quality in lower Budd Inlet.

The following points support this recommendation.

## ***Environment***

The Capitol Lake Basin is an integral part of a greater Deschutes River-Budd Inlet ecosystem situated at the head of Puget Sound. As a result, the State of Washington and the people of South Puget Sound bear a strong responsibility for choosing a future for the Capitol Lake Basin that will play a significant role in restoring the health of Puget Sound. The CLAMP entities hold that restoring the estuary at the mouth of Deschutes Basin is the best evidence-based choice of the four alternatives for restoring the health of the Sound.

## Water Quality

Reduced water quality is one of several essential problems facing Puget Sound. Clean water serves as a foundational building block to a healthy, functioning ecosystem supporting people, flora, and fauna.

The *Capitol Lake Adaptive Management Plan* set the objective, “Improve the water quality in Capitol Lake to meet State standards.” The Deschutes River, Capitol Lake, and lower Budd Inlet currently are impaired water bodies because of high fecal coliform counts, high nutrients levels, and low dissolved oxygen levels. While a technical report by the Department of Ecology showed that restoring the estuary would not solve all water quality problems in southern Budd Inlet, it will fully address the violation in the lake basin and it has a far greater positive impact than either the status quo or managed lake alternatives. The estuary alternative is compelling, because it moves the watershed closer to meeting state and federal clean water standards.

## Plants and Animals

A restored Deschutes estuary will reestablish critical habitat for plants and animals that was lost nearly 60 years ago when Capitol Lake was constructed. Historic loss of estuaries, such as the Deschutes, has reduced habitat and water conditions necessary to support fish and wildlife ecosystems in the Puget Sound basin. Estuaries are particularly productive points in the food chain for a wide range of species and act as critical refuge for juvenile salmonids.

The estuary restoration alternative will best satisfy the CLAMP objective to, “Improve lake edges to be fish, wildlife, and people friendly”. The estuary option exceeds another plan objective to, “Rehabilitate the fish ladder in the Capitol Lake dam to provide year-round fish passage into and out of Capitol Lake” by reducing passage barriers and risks of predation.

The switch from freshwater to brackish saltwater conditions would also help “Eliminate the Purple Loosestrife and Eurasian Milfoil noxious weed infestations throughout Capitol Lake,” another objective of the *Capitol Lake Adaptive Management Plan*.

### Sediment Management

Under the estuary alternative, sediment will follow its natural course down the river into Budd Inlet. As a result, there would be increased sedimentation in lower Budd Inlet. This is a particular concern for marine-related activities that include the Port of Olympia and the recreational boating marinas.

Support for estuary restoration, however, does not preclude support for these interests. While the return of the Deschutes estuary brings significant community-wide benefit, that action should not come at the expense of the vitality of a working waterfront. It is fundamental to implementing an estuary restoration effort that a fair and equitable long-term sediment management strategy be crafted that protects local marine interests and infrastructure. This entails developing a coordinated permitting and cost-sharing approach for dredging expenses, to be shared by federal, state, local, and tribal entities.

A sediment management strategy will benefit the restoration of Puget Sound, as well. An important component of any coordinated permitting and dredging actions will need to address contaminated sediments that exist in lower Budd Inlet. Removal of contaminated sediments will benefit fish and wildlife, protect human health, and add value to the local economy by restoring recreational opportunities.

The Steering Committee recommends going beyond the CLAMP plan objective to “Develop and implement a comprehensive management strategy for the

Capitol Lake Basin.” A viable ‘comprehensive’ sediment management strategy should encompass the entire watershed, not just lower Budd Inlet.

The CLAMP Steering Committee further recommends that a new governing body should begin to facilitate this process, as soon as possible. It needs to create a sediment management strategy that is efficient, integrated, and serves the needs of the partners.

## ***Economy***

Healthy, intact ecosystems have intrinsic value, both environmentally and economically. Restoring the Deschutes estuary will create new job opportunities through fishing, recreational boating, commerce, and public recreation. It will also provide a new dimension to the unique South Sound ‘quality of life’ for those citizens that live here or visit.

A functioning estuary will contribute to a healthier Puget Sound that supports healthy communities and local economies. Estuary restoration will improve our aquatic and nearshore natural resources that sustain and create jobs.

Therefore, a fundamental principle is that implementation of a restored Deschutes estuary must sustain and improve the local economy. The CLAMP Steering Committee recommends addressing these potential impacts as follows:

### Infrastructure

Protect and enhance the public and private infrastructure assets of all stakeholders in the Capitol Lake basin. Removal of the dam, scouring created by tidal action and river flow, and saltwater corrosion will require protection, improvement, or replacement of a number of existing structures. These community assets include roadways and bridges, utilities, shoreline erosion improvements, public parks, and the historic Old Brewhouse.

Because the capital costs related to these infrastructure improvements are considerable, further work on the estuary alternative must include a realistic capital improvement and financing plan. The financial strategy must address how to pay for infrastructure through equitable cost sharing, local contributions, grants, and state and federal appropriations. As with sediment management, all parties need to share the benefits and the costs equitably.

### Downtown Flood Risk

None of the alternatives will substantially reduce or increase the risk of flooding to downtown Olympia. Technical analyses show that the potential for sea level rise associated with climate change is the challenge to address. Any future design of improvements related to the estuary alternative should accommodate future increased flood risk, including the need for improvements in downtown storm drains and other infrastructure.

### Long-Term Costs

The estuary alternative is the most cost effective approach over the long-term of any of the four alternatives, short of the status quo, which did not include essential dredging.

Of the four alternatives, restoring the estuary offers the greatest opportunity for leveraging local, state, and federal funding. This is especially true if it is tied to the restoration of greater Puget Sound. The significance of an estuary restoration project, both to the state and the nation as a whole, increases the chance for financial support from federal and foundation sources.

An implementation strategy for the estuary must carefully coordinate restoration actions with funding availability and opportunities. For instance, dredging activities in the lake could occur in conjunction with other restoration activities in South Sound that need clean sediment.

## **People**

Restoring the estuary of the Deschutes River will mark an important transition in the legacy of our Capitol Campus. When the lake was constructed, it was a great symbol of local pride, prosperity, and progress. A restored estuary could symbolize a renewed and refined civic pride in restoring natural systems. It also represents a growing acknowledgement and respect for the values and heritage of the area's original inhabitants.

It is appropriate that the restoration of Puget Sound begins at its head. By restoring the Deschutes estuary, the CLAMP entities will become a model for community leadership throughout Puget Sound.

### ***Key Issues for Moving Forward with the Estuary Recommendation***

The CLAMP entities encourage GA, the State Capitol Committee, and the State Legislature to commit to the estuary alternative to pursue funding sources currently available. A prompt decision by these governing bodies will facilitate state and local stakeholders to remove lingering uncertainty about the future of the Capitol Lake Basin. Such a decision will allow the effected parties to move forward to resolve important implementation details.

The CLAMP Steering Committee acknowledges that there will be considerable planning, funding, and construction actions required before implementation of this recommendation. The future of estuary restoration will depend upon positive efforts to identify and resolve implementation details. These include developing a sediment management strategy, structured cost sharing, funding opportunities, and coordination with other water quality improvements in the watershed required by the federal Clean Water Act.

GA's stewardship role is focused upon the State Capitol Campus. It is therefore reasonable that the scope of CLAMP and planning for Capitol Lake has been

limited to the basin and only indirectly to southern Budd Inlet. GA's future management actions for the lake basin are described in the *Master Plan for the Capitol of the State of Washington (2007)*. A change from a lake to an estuary will require updating the state's master plan.

Limited management authority will make it difficult for GA to coordinate broader watershed restoration issues, such as up-stream reforestation or Budd Inlet toxic sediment clean up. Other implementation activities suggested by this recommendation will be outside of GA's authority and beyond the scope of the CLAMP agreement.

A new governing structure will be required to address Deschutes watershed and Budd Inlet recovery actions that relate to estuary restoration. The composition of this body may be similar to that of the Budd Inlet Restoration Partners. This group contains a number of the CLAMP entities, but to remain effective, it will need to involve all affected parties, governments, and stakeholders. GA will need to coordinate and collaborate with the new governing body regarding a comprehensive Budd Inlet sediment management strategy, structured cost sharing for dredging, and funding opportunities.

The CLAMP Plan and process provided essential technical information for an informed decision. To implement this recommendation many of the CLAMP entities will need to (1) work together within a different governmental structure, (2) agree on a common restoration threshold, and (3) craft an equitable cost-sharing package.

## **Recommendations for Managed Lake**

A majority of the council members of the **City of Tumwater** and of the **Port of Olympia** submit to the Director of GA a recommendation supporting the managed lake alternative for the Capitol Lake Basin. Each of these members arrives at this conclusion from different vantage points.

### ***The City of Tumwater***

The City of Tumwater expresses its support for this option based on the following discussion points and concerns:

#### ***Environment***

##### Plants and Animals

Maintaining and enhancing fish runs in the Deschutes River is a high priority of the city. Salmonid use of the river is important to the cultural heritage of both the citizens of Tumwater and the Squaxin Island Tribe. At a minimum, any future alternative selected should protect fish passage.

Restoring an estuary at the mouth of the Deschutes River will change the visitor experience of Tumwater Historical Park by introducing mudflat habitat that is unsightly and can produce odors.

##### Sediment Management

Removal of the Capitol Lake dam will increase sedimentation in lower Budd Inlet. This will create a significant financial hardship for the Olympia Yacht Club and other private and public marinas in lower Budd Inlet who will likely be unable to afford increased dredging costs. The City of Tumwater does not support shifting the cost of dredging the Capitol Lake basin from state taxpayers to local taxpayers. However, Tumwater recognizes that the state may not be

able to fund the long-term costs of dredging a managed lake; the most expensive option below the dual basin alternative. An equitable means of cost sharing the expenses of dredging should be a priority, regardless of which management options is selected.

## **People**

The City of Tumwater expresses particular concern that no future alternative for the Capitol Lake basin be allowed to negatively impact Historical Park or the Old Brewhouse located in the south basin.

## ***The Port of Olympia***

The Port of Olympia supports the managed lake alternative based on the following issues:

### ***Environment***

#### Water Quality

It is the Port's opinion that the estuary does not fully accomplish water quality standards in lower Budd Inlet and provides what appear to be tradeoffs between fresh- and salt-water habitats; the Port requests that GA take immediate steps to improve the condition of Capitol Lake by dredging excess sediments.

The Port supports Department of Ecology recommendations for improving water quality by preserving/restoring riparian vegetation and stream channel characteristics, as well as reducing nutrient load reductions in the watershed. Additionally, the Port supports GA in fulfilling the CLAMP objectives for rehabilitating the fish ladder in the dam and developing a comprehensive sediment management plan.

## Sediment Management

Removal of the Capitol Lake dam will significantly increase sedimentation in lower Budd Inlet. This will create unusual financial hardship for the Olympia Yacht Club and other private and public marinas in lower Budd Inlet who will likely be unable to afford increased dredging costs. The Port of Olympia does not support shifting the cost of dredging the Capitol Lake basin from state taxpayers to local taxpayers.

## **Economy**

The technical reports to date do not fully calculate the economic impacts and costs associated with future management of the Capitol Lake basin. It is the Ports position to support a lake option until a full, peer-reviewed community economic impact analysis is completed and thoroughly vetted by the public. The following are Port's recommended items that require further clarification and/or more accurate accounting:

- Maintenance costs associated with maintenance dredging of the Federal turning basin and channel,
- Accurate dredging cost estimates that reflect recent Port dredging activities of nearly \$200 per cubic yard, and
- Professional fees associated with consulting, engineering, and permitting services.

The Port is concerned that the technical reports unfairly bias costs that favor the estuary alternative due to the large volume of dredged sediments required initially. Reports should note that all dredging conducted by GA since the installation of the 5<sup>th</sup> Avenue dam simply transferred sediments from one place to another within the basin, reducing the overall capacity of the lake.

These uncertainties within the technical reports leave the Port concerned that the state is transferring its obligations for lake management to Thurston County residents. The Port cannot support an alternative other than a managed lake until such time that it gains a higher degree of confidence in reports that fully evaluate other management alternatives.