

Scott Boettcher

From: Pat Anderson <Pat.Anderson@lewiscountywa.gov>
Sent: Thursday, December 22, 2016 8:13 AM
To: Pat Anderson
Subject: Governor's Work Group Budget Recommendations
Attachments: Governor's Chehalis Work Group Recommendations for 2017-2019 Budget 12.2....docx

Flood Authority Members and Interested Parties,

Attached is a summary of the Governor's Chehalis Basin Work Group's recommendations for the 2017-2019 state biennium budget to continue development and implementation of the Chehalis Basin Strategy. The Governor's proposed budget released last week includes \$60M for the Chehalis Basin Strategy (\$50M in State Capital funds and \$10M in federal funds). The Work Group's recommendations include funding for the tier 1 local flood projects recommended by the Flood Authority. Please contact me if you have questions.

Happy Holidays,

Jim

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Governor's Chehalis Basin Work Group

Chehalis Basin Strategy 2017-2019 Biennium Budget Recommendations to the Governor

This document summarizes the Governor's Chehalis Basin Work Group's 2017-2019 biennium budget recommendations for continued development and implementation of the Chehalis Basin Strategy.

The Governor's Chehalis Basin Work Group was charged by Governor Inslee to develop budget recommendations for continuation of the Chehalis Basin Strategy to reduce flood damage and restore aquatic species habitat. The Work Group members are:

- Don Secena – Chairman, Confederated Tribes of the Chehalis Reservation
- Larry Goodell, Jr. – Chairman Off-Reservation River Committee and Treaty Habitat Policy Spokesperson, Quinault Indian Nation
- J. Vander Stoep - private attorney and Chehalis Flood Authority Pe Ell Alternate
- Jay Gordon - farmer in lower Chehalis Basin and Washington Dairy Federation Executive Director
- Karen Valenzuela – former Thurston County Commissioner and former Chehalis Flood Authority Vice Chair
- Rob Duff - Policy Advisor to Governor Inslee
- Steve Malloch – consultant and environmental community member
- Vickie Raines – Grays Harbor County Commissioner and Chehalis Flood Authority Chair

In developing their recommendations to the Governor for his proposed 2017-2019 budget, the Work Group considered the comments received on the draft Chehalis Basin Strategy Programmatic Environmental Impact Statement (PEIS) which was developed by the Washington State Department of Ecology. At this point in time, the Work Group is not ready to recommend their preferred long-term strategy but recommend continued work in the next biennium to evaluate Alternatives 1 and 4 (see attached Executive Summary for the draft PEIS) and implement priority projects to restore aquatic species habitat and reduce flood damage. The recommendations are categorized by major budget elements, which include all of the actions being evaluated in the draft PEIS, except for I-5 walls and levees. In the first half of 2017 – before the Work Group sunsets and the new Office of Chehalis Basin Board is established – the Work Group will develop additional recommendations for a long-term strategy to inform the final PEIS.

The Work Group recommends a \$60 million budget appropriation, which includes \$30.4 million in state funds to advance the long-term strategy for an integrated approach to reduce flood damage and restore aquatic species habitat, \$9.6 million in state funds for design and construction of local flood damage reduction projects, and \$20 million (\$10 million state and \$10 million federal funds) to be used for construction of aquatic species habitat restoration projects.

Budget Recommendation Elements

Dam

The Work Group, with the exception of Don Secena representing the Chehalis Tribe, recommends proceeding to a project-level environmental review for the dams being considered on the mainstem Chehalis River to address questions raised during public review of the draft PEIS and determine the feasibility to mitigate the impacts of the dam. The Quinault Indian Nation (QIN) opposes the dam(s) as proposed in the draft PEIS; however, the QIN will not oppose funding that shall serve to address the questions and concerns raised by QIN in the *Quinault Indian Nation Comments on Chehalis Basin Strategy Draft Programmatic Environmental Impact Statement* letter, dated November 14th, 2016. In order to analyze the range of issues raised in the PEIS process, additional studies and analyses will include, but are not limited to, continued refinement of hydraulic and hydrologic modeling; geotechnical analyses; impacts to salmon and other aquatic species, cultural resources, wetlands, and water quality/quantity modeling and monitoring; and, refinement of economic evaluation of costs and benefits, including external review.

This work includes applying for initial permits to start a formal State Environmental Policy Act (SEPA) and National Environmental Policy Act (NEPA) project-level environmental review. A draft project-level SEPA and NEPA EIS is anticipated to be completed during the 2017-2019 biennium, but not a final SEPA and NEPA EIS.

Restorative Flood Protection

The Work Group recommends proceeding with detailed modeling and pre-permit design for one priority sub-basin in order to conduct project level environmental review and to potentially implement in the 2019-2021 biennium. The goal in the 2017-2019 biennium is to determine if there are willing landowners and to establish proof of concept in a priority area, to understand if the approach is feasible to broader treatment areas.

This work includes studies and analyses such as two-dimensional hydraulic modeling of the entire RFP treatment area (upper Chehalis watershed above Newaukum, Mainstem, and South Fork Chehalis River); refined analysis of impacts to landowners and the need for floodproofing/relocation; refinement of economic evaluation of costs and benefits, including external review; and, policy analysis of the regulatory changes that may be required for project implementation.

Aquatic Species Habitat Restoration Projects

The Work Group recommends construction of priority aquatic species habitat restoration projects, including barrier removal, early action reach restoration projects (such as floodplain and channel restoration and side channel reconnections), and acquisition of critical habitats.

Through leadership and management of the Aquatic Species Restoration Plan Steering Committee (Quinault Indian Nation, Chehalis Tribe and the Washington Department of Fish and Wildlife), this work includes development of a scientific and transparent process for selecting projects. During the 2017-2019 biennium, the Work Group recommends restoration projects that provide as immediate a benefit to fish and other aquatic species should be prioritized. In addition, Chehalis Basin Strategy funds should

be used for the highest priority fish passage barrier removal (culvert) projects that are not already being addressed through the Department of Natural Resources (DNR) Family Forest Fish Passage Program, Fish Barrier Removal Board, or the Washington State Department of Transportation “culvert case.”

Refinement of Aquatic Species Restoration Plan

Historically, the Chehalis Basin has been one of the least studied basins in the state of Washington despite its important salmon runs and diversity of aquatic species. Comprehensive data collection on salmon and other species was initiated four years ago. The Work Group recommends continued data collection, research, and analyses for salmonids and other aquatic species in order to develop a more robust and empirically based understanding of the habitat and aquatic species in the Chehalis Basin, and to develop the next version of the basin-wide Aquatic Species Restoration Plan. This work includes various aquatic species research tasks (e.g., off-channel habitat surveys, native fish density, genetic diversity, abundance and distribution of chum salmon); flow and water quality modeling; refinement of the Ecosystem Diagnosis and Treatment, National Oceanic and Atmospheric Administration Watershed Analysis, and Washington Department of Fish and Wildlife amphibian models; hydraulic modeling to evaluate restoration scenarios; and, initiation of a monitoring and adaptive management program.

Land Use Management/Floodproofing

The Work Group recommends continued work with local governments to ensure that, through a series of land use management actions, new floodplain development does not impact floodplain function or cause additional harm for residents and structures that are already located in the floodplain. This work includes developing a transparent process with local planners to ensure that development in the floodplain will not be encouraged if a dam is pursued, and encouraging local jurisdictions to develop floodproofing strategies similar to recent planning efforts by the City of Centralia and Thurston County. Funding will be provided to initiate a basin-wide floodproofing program with an early focus likely in Centralia and Thurston County, for elevation, acquisition, and other structure retrofit projects. In anticipation of potential adverse impacts of climate change, the Work Group acknowledges that this work to protect local communities and develop standards to safeguard current investments is necessary.

The Work Group also recommends additional funding for DNR to conduct an independent study as part of the Forest Practices Board adaptive management program to assess the impact of forest practices on hydrology, including potential impacts on high and low flows and aquatic species habitat.

Local Flood Projects

The Work Group recommends funding the first tier of local flood damage reduction projects developed by the Chehalis River Basin Flood Authority. The prioritized project list includes the China Creek flood and habitat mitigation project, Wynoochee River wastewater treatment plant protection, and Thurston County Independence Road flood study. Local flood projects need to be designed in a manner that does not create harm to aquatic species. The QIN is concerned that projects like the Wynoochee River wastewater treatment plant are addressing an urgent problem but not in a comprehensive, systematic and ecologically friendly manner.

Aberdeen/Hoquiam Levee

At this time the QIN can neither agree or disagree with the Aberdeen/Hoquiam North Shore Levee Project. The Work Group, with the exception of the QIN, recommends supporting the next level of design and initial permit applications to evaluate the environmental impacts and determine the feasibility for the Aberdeen/Hoquiam North Shore Levee project.

Overall Participation and Public Outreach

The Work Group supports funding for agency and tribal staffing necessary for overall project management, facilitation of technical and policy meetings and workshops, and technical review of critical documents. This includes staffing for the new Office of Chehalis Basin.

This work also includes implementing a public involvement and outreach strategy for all the actions and activities within the Chehalis Basin Strategy. The involvement of the public, stakeholders, and governments is vital to developing and implementing the Chehalis Basin Strategy. The number of people and organizations involved in developing and implementing the Chehalis Basin Strategy was significantly increased in the last two years. The Work Group recommends continuing to expand the number of people and organizations involved in the next biennium including a specific focus to engage young people and landowners.

For additional information contact:

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