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THE WILLIAM D. RUCKELSHAUS CENTER

UNIVERSITY OF WASHINGTON

Situation Assessment for Capitol Lake Management

Conducted for the Washington State Department of Enterprise Services
By the William D. Ruckelshaus Center

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WILLIAM D. RUCKELSHAUS CENTER
Hulbert Hall, Room 121
P.O. Box 646248
Pullman, WA
- *and* –
901 Fifth Avenue, Suite 2900
Seattle, WA 98164

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I. INTRODUCTION

The management of Capitol Lake and the Deschutes River Basin has many of the hallmarks of a complex public policy challenge: multiple organizations and individuals with vastly different and passionate views and priorities, a set of local issues weighted with history and politics, several government agencies with diverse management responsibilities, and natural hydrological sediment processes exacerbating environmental pressures. This is all compounded by a factor that nearly every person contacted during this assessment cited as a major issue: a serious lack of discretionary funds in the state capital budget.

This assessment was conducted to synthesize all the major viewpoints on related issues, analyze the prospects for a collaborative process to seek agreement, and recommend potential next steps. It revealed some reason for optimism, despite the litany of challenges. Several areas of agreement emerged that might serve as a starting point for either collaborative dialogue or other steps forward, and nearly all participants in this process are frustrated enough with the status quo that there appears to be widespread motivation to undertake the hard work it will take to develop and agree upon a long-term plan that is politically and economically viable.

This assessment report first provides background information and describes the assessment process, then shares common themes from assessment interviews, then provides findings and recommendations. Recommendations can be found in Section VIII, but it is important to read Sections II-VII, as they provide valuable context for understanding those recommendations.

II. ASSESSMENT PROCESS

A. Overview

Capitol Lake is a 260-acre man-made impoundment in Olympia and Tumwater, Washington. The Washington State Department of Enterprise Services (DES) manages the Lake as part of the Capitol Campus. The Lake was created in 1951 when the state constructed an earthen dam and concrete spillway at 5th Avenue in Olympia, with the intent of creating a reflecting pool for the Capitol. Before Capitol Lake was created, this area was part of Puget Sound, an estuary where freshwater from the Deschutes River mixed with the saltwater of Budd Inlet.

The 35,000 cubic yards of sediment transported downstream each year by the Deschutes River gets trapped by the dam. The accumulation of sediment, among other dynamics, creates conditions in Capitol Lake that have led to water quality issues. State and federal regulations are designed to protect various uses of the water (such as aquatic life), and they set numeric standards for specific water quality parameters. For example, the federal Clean Water Act, passed in 1972, sets water quality goals for Budd Inlet, Capitol Lake, and the Deschutes River. Water quality in Budd Inlet, Capitol Lake, and the Deschutes River are not in compliance with these standards.

After a 12-year adaptive management process did not resolve competing management visions, the 2011–13 Washington State Capital Budget appropriated $200,000 to DES to "begin the process of seeking necessary permits to dredge and spot dredge excess sediments as required under all of the proposed long-term management strategies." In addition to beginning the permit-seeking process, DES contracted with the William D. Ruckelshaus Center (the Center) to conduct a situation assessment examining the prospects for a collaborative process to address issues related to the management of Capitol Lake. The Center is a resource for collaborative problem solving in the State

of Washington and the Pacific Northwest, providing expertise to improve the quality and availability of voluntary collaborative approaches for policy development and multi-party dispute resolution. The Center is a joint effort of Washington's two research universities, the University of Washington (UW) and Washington State University (WSU). For more information, see Appendix C or visit www.ruckelshauscenter.wsu.edu.

It is important to be clear about what this report *is not*, as well as what it is. It is *not* an assessment of options and alternatives for managing the entire Deschutes Basin Watershed, of which the future of Capitol Lake is certainly a key consideration. DES does not have management authority or responsibility for the entire watershed. So, while determining the future of the Deschutes Watershed may be an important undertaking, it is beyond the scope of this assessment.[1]

This report is also *not* a thorough analysis of management options for Capitol Lake. The Center's services focus on exploring opportunities for and fostering collaborative public policy, *not* developing or analyzing specific management alternatives. The relatively exhaustive analyses conducted for the Capitol Lake Adaptive Management Plan (CLAMP) provide still-relevant summaries of technical, financial and scientific information.[2]

This report *is* the primary written product of the Center's situation assessment. A situation assessment is an interview-based effort to better understand and explore relevant issues and interests of involved parties, along with the situation dynamics. This type of assessment is a typical first step in exploring a potential collaborative process. Such an assessment reveals useful information to guide next steps forward, whether that involves a collaborative process or not. For the purposes of this report, a collaborative process is defined as a solution-focused dialogue among the vital interests, participating willingly, that is convened and facilitated by a neutral third party. If the parties to a collaborative process reach agreement, results are typically returned to traditional legislative, executive, and/or judicial policy forums for consideration and possible action. So, this report is a summary of issues, interests, perspectives and prospects for collaboration, derived from interviews with the involved parties.

The Center reached out to a balanced cross-section of parties between August and November 2014, to capture a wide range of perspectives. Interview candidates were identified via the Center's background research, selection criteria, and chain referral sampling (in which all interviewees are asked to identify additional potential interviewees). The assessment was intended to identify the major issues and key parties involved, and document their interests and perspectives while exploring the prospects for a collaborative process to address those issues.

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[1] At least one party believes the limited scope of this assessment compromises its effectiveness and value.

[2] The CLAMP process took place from 1997-2009 and involved representatives of the following government entities: City of Olympia; City of Tumwater; Port of Olympia; Squaxin Island Tribe; Thurston County; Washington State Department of Ecology; Washington State Department of Fish and Wildlife; Washington State Department of Natural Resources; Washington State General Administration/Department of Enterprise Services. The CLAMP Steering Committee's *Long-Term Management Recommendation for the Capitol Lake Basin* supplies management options germane to the current situation, with many parties in this process citing issues and approaches for resolving challenges that were thoroughly considered and discussed in a collaborative setting before being presented by that Steering Committee. The analyses and studies conducted in support of that process can be found online at *www.des.wa.gov/about/pi/CapitolLake/Pages/CapitolLakeReports.aspx.* Note: some parties question the accuracy of some of that information.

B. Assessment Team

Chris Page (Ruckelshaus Center Project and Development Lead) managed the situation assessment, with strategic oversight from Michael Kern (Director of the Ruckelshaus Center). Chris Page and Christina Sanders (Associate Director of the WSU Division of Governmental Studies and Services, or DGSS) designed the assessment process, developed the protocols and guide for the interviews (see Appendix B), and conducted and summarized the interviews. Siri Thompson and Raquel Espinosa (Ruckelshaus Center staff) provided project support.

C. Identification of Parties

The Center developed a set of criteria to guide the selection of interested parties to interview. These criteria are:

- Inclusive of all major interests related to the future of the Capitol Lake Basin
- Representative of the diverse perspectives and views on past and future efforts
- Organizational and/or subject matter expertise and leadership
- Fits within project time and resource constraints

The assessment team consulted with staff at DES, read through CLAMP Steering Committee documents, conducted online background research, and reviewed a DES "Stakeholder List for Capitol Lake" from May of 2014 to produce a preliminary draft list of interested parties. A number of interested individuals and organizations contacted the Center proactively after DES sent an introductory email to its stakeholder list, providing more potential interview subjects. The list was organized into several categories, in an effort to ensure that all interests were represented. These categories were:

- Architecture
- Business
- Citizen/Resident
- Engineering
- Federal Government
- Local Government
- Marine Business
- Media
- Non-Governmental Organizations
- State Government
- Tribal Government

The assessment team selected an initial round of interviews representing a broad and balanced range of interests. Based on suggestions from these interviewees, the Center conducted a second round of interviews, reaching the 44 parties included in Appendix A. The interviewee list is not meant to be exhaustive, but rather to include a balance from each significant category of interested constituency and targeting both elected officials and staff at the involved governments. The goal is for all interested parties to feel that their perspective was included in the assessment, whether they themselves were interviewed or not.

D. Assessment Protocols and Institutional Review

The assessment team developed a set of protocols to govern the interview process, based on university human subject research principles and best practices in the field of collaborative decision-

making. The WSU Office of Research Assurances reviewed the study and protocol, and determined that the study satisfied the criteria for Exempt Research at 45 CFR 46.101(b)(2) and could be conducted without further review by the WSU Institutional Review Board.

Interviewees were invited by email and/or phone to participate in an interview and received background information explaining the process, the purpose and how information from the interview would be used. The preliminary information emphasized that the interview would be confidential (to be consistent with university research protocols and encourage interviewees to be as candid as possible), in that the results would be aggregated in a summary report and specific statements would not be attributed to individual interviewees. Interviewer notes on the conversations were not retained beyond the drafting of the report, per research protocol. Interviews were conducted by phone or in person.

III. KEY THEMES: AREAS OF AGREEMENT / ELEMENTS OF A STABLE SOLUTION

During this assessment, a general set of widely-held, desired outcomes emerged that any long-term plan must satisfy in order to lead to a stable solution. The conditions described in this section, if met, would minimize the causes of core problems and reflect the sustainable resolution of key issues and challenges. They also mirror an element of the CLAMP Steering Committee's report—the five outcomes supported by all members of that committee:

1. Development of an implementation plan which recognizes:
    a. the placement of the lake within the larger watershed,
    b. the need for long-term solutions which are economically durable, and
    c. community interests through coordinated and collaborative approaches
2. Protection of fish passage for the Deschutes River;
3. Development of an equitable cost sharing structure between all relevant stakeholders and beneficiaries;
4. Development of a sediment management strategy for the lake basin; and
5. Identification of potential funding opportunities.

Each of the above outcomes can fit under one or more of the general categories that emerged in this assessment, listed below as Sections III.A through-III. D.

A. ENVIRONMENTAL

Several respondents stated that Capitol Lake is not a "true lake," with some referring to it simply as a dammed river. Many pointed out that the original estuary was much larger than a restored estuary would be, because the footprint of the original estuary is now largely covered by downtown Olympia. To summarize a common theme, several respondents said that putting a dam[3] at the end of a river "goes against nature," which they assert usually brings a costly, unending struggle. The majority of respondents expressed support for a healthy environment and named one or more of the following specific issues related to natural resources in Capitol Lake and the Deschutes Basin.

a) Water Quality

Most interviewees stated some version of the sentiment that water quality problems in Capitol Lake and

[3] While more than one interviewee called it a "tide gate," this report uses the more frequently cited term "dam."

Budd Inlet need to be addressed. Constituencies in this assessment agree that a long-term management plan for the Deschutes River Basin should support good water quality.

b) Fish and Wildlife Habitat

Many respondents described the benefits that healthy runs of salmon bring to the region. People frequently mentioned that the Deschutes River did not traditionally have a robust run of native salmon, due to the fish passage barrier of Tumwater Falls. Despite this fact, many interviewees cited as important the habitat for juvenile salmonids provided by a healthy estuary. Others mentioned the importance of the existing hatchery-based operation to the local economy and recreation opportunities. CLAMP's desired outcome of fish passage fits here. In addition to desiring healthy fish habitat, respondents were united in support of having good habitat for diverse wildlife species.

c) Sediment Management

All respondents agreed that a successful management plan will include an effective, long-term sediment management strategy. Several mentioned that the original estuary covered much of what is now downtown Olympia and, with the current footprint of the City, there is no longer a broad space over which sediment can be distributed by natural processes.

d) Watershed Scale

A number of interviewees, possessing diverse viewpoints on management options, emphasized the need for recognizing and managing Capitol Lake and the rest of the Deschutes River Basin as a whole watershed system, in order to consider the potential management actions upstream from Capitol Lake that could improve relevant conditions.

e) Invasive Species

Many respondents cited as significant issues the freshwater New Zealand mud snail and noxious weeds such as Eurasian milfoil. While others do not view these invasives as major concerns, multiple interviewees mentioned that disposal of dredge spoils is made quite costly and complicated by the need to address invasive species of one ilk or another. All respondents agreed that a successful, long-term management plan must take invasive species into consideration, and mitigate their impacts as much as possible.

B. SOCIAL / CULTURAL

Capitol Lake holds aesthetic, cultural and social value for many members of the community. Respondents said most people don't remember when it was an estuary, and altering the Lake setting would be a challenging transition, since many people are attached to the existence of the Lake or have resistance to change. Specific social/cultural values include:

a) Aesthetics

Many respondents value that Capitol Lake provides a visual amenity for the State Capitol Campus and downtown Olympia, and wish to retain the reflecting aspect that frames the Capitol Building. For these respondents, an ideal solution would preserve or recreate that element in some form. Some believe a restored estuary would also provide pleasing aesthetics. Several respondents said that before the dam was installed, the estuary gave off a foul smell. Others said that this was because raw sewage was exposed at low tide, and that with modern sanitation, a restored estuary would not reek.

b) Recreation

Interviewees most frequently cited walking and jogging by the Lake among outdoor activities, but many mentioned swimming and boating as important amenities they hope to regain. People who mentioned this as important tend to believe that a managed lake would provide superior recreational opportunities. Others mentioned bird-watching and other recreational activities supported by an estuary, often citing the recently-restored Nisqually Estuary as an example. Public use and accessibility were also cited as valuable, with many respondents decrying the current situation, in which the Lake and its shore are closed to public access.

c) Fishing

Fishing was also mentioned as a recreational amenity that a long-term management strategy could support. In addition to the recreational benefits, interview subjects cited the cultural importance of abundant fish populations, for both tribal and non-tribal people.

d) Cultural and Social Cohesion

This assessment revealed sentiments of a divided community. One or more segments of the population were described by interviewees favoring estuary restoration as having "nostalgic attachment" to the Lake, while those pro-estuary segments of the populace hold different priorities and focus on a future landscape restored to a previous state. Whether generational and/or cultural, this hints at potential social divides beneath the surface of these issues. Comments made during this process indicate the potential for a schism between state government employees and other Olympia-area residents. Other respondents talked of the need to build bridges of communication and relationships between non-tribal and tribal residents of the Olympia area.

C. FINANCIAL

a) Feasible in Current Budget Climate / Long-Term Funding Mechanism

The lack of discretionary funds in the State budget arose early in this assessment as a concern with regard to finding resources for implementing whatever management option gets selected, and funding the needed capital expenditures to manage the natural systems and replace aging infrastructure. The suggestion emerged to create a local or regional mechanism for collecting and allocating resources, combined with a local or regional management authority similar to the Municipality of Metropolitan Seattle (Metro, now King County Metro) created to address Lake Washington's poor water quality in the 1960s. The CLAMP Steering Committee made a similar recommendation, stating, "This group … will need to involve all affected parties, governments, and stakeholders."[4]

b) Tourism and Downtown Business

While some respondents perceive Capitol Lake as a vital element of downtown Olympia and think an estuary might have negative ramifications for tourism, others asserted that the popularity of the Nisqually River Estuary demonstrates that a restored estuary can draw tourists (and the resulting economic benefits). Interviewees who mentioned economic interests tend to regard the downtown economy, including the Port of Olympia, as an important consideration in long-term planning.

[4] *Long-Term Management Recommendation for the Capitol Lake Basin*, Capitol Lake Adaptive Management Plan (CLAMP) Steering Committee, p. 13.

c) Equity

The majority of respondents replied that if estuary processes are restored, the costs of sediment management in Budd Inlet should be shared among multiple entities. Here too, a creative suggestion arose: to install some sort of deflecting wall to direct sediment away from the marina and port, should analysis prove such a mechanism feasible.

D. HEALTH AND SAFETY

a) Flood Control

Several respondents mentioned climate change and sea level rise as factors that must be considered in long-term planning and management for the Deschutes Watershed. Some stated that Olympia currently faces flooding issues that need to be addressed.

b) Swimmable/Fishable

Many interviewees cited swimming as an amenity that would be nice to regain, requiring sufficient water quality to avoid health risks from swimming. Many interviewees also cited, as a goal for any long-term management plan, having waters healthy enough to catch and eat fish.

IV. KEY THEMES: DIFFERENT PERSPECTIVES ON MANAGEMENT OPTIONS

It should surprise no one that this assessment found significant polarization in views on the first two basic long-term management options considered during the CLAMP process (lake vs. estuary). A brief summary of viewpoints related to the four management options follows.

A. Estuary Restoration

While disparate opinions were expressed about estuary restoration, multiple respondents see dam removal as inevitable due to what they perceive as the eventual need to enforce the federal Clean Water Act and bring water quality into compliance with its standards, and their linked conclusion that such compliance cannot be achieved with the dam in place.

Other common views articulated in this process related to estuary restoration include:

- Statements that estuary restoration would provide the highest level of environmental benefits, with respondents most frequently citing water quality, but also mentioning habitat for fish and wildlife, along with mitigation of invasive species problems.
- The need to manage the sediment that would be transported past the location of the current dam, with agreement that costs for that sediment management should not be borne exclusively by boat owners and the marina.
- The perception that estuary restoration would be less beneficial to the downtown economy than a lake, due at least in part to the belief that an estuary would be less aesthetically pleasing and have fewer recreational opportunities. However, several respondents questioned this and cited the robust tourism, recreation and aesthetics of the restored Nisqually River estuary; one respondent named specific downtown businesses that support estuary restoration.
- The assertion that the management option described by the CLAMP Steering Committee as "Comprehensive Estuary Restoration" is inaccurate, since the original footprint of the estuary is now largely covered by downtown Olympia. This means that a restored estuary would cover a smaller area than the original estuary and provide correspondingly smaller environmental

benefits.

- The belief that a restored estuary would be visually displeasing "mud flats" was voiced strongly by some respondents. Others saw beauty in tidal ebb and flow, and pointed to CLAMP documents stating, "the North Basin, much of the Middle Basin, and the main channel … would be under water 80% of the time."[5]
- Estuary restoration is regarded by some to have strong potential to leverage federal funding to assist in financing a solution.

B. Managed Lake

A sizable segment of the community favors this option, with lake proponents and even some estuary proponents believing that the majority of area residents want to keep the Lake. Many described that constituency as "vocal" or "influential," with several stating some version of the sentiment, "People want it to go back to the way it was, with swimming and boating." The most frequently-cited reasons given for favoring a managed lake approach were:

- The Lake's aesthetic and recreational value;
- The benefits the dam provides in keeping sediment from accumulating in Budd Inlet and impacting boat owners and the Port; and
- An emotional attachment to its presence, developed over the decades it has existed.

Several respondents described it as difficult, if not impossible, to pursue a managed lake as a long-term strategy, given the need to meet Clean Water Act standards. Some interviewees say another legal/regulatory situation may also preclude this option. They believe the Fifth Avenue Dam negatively impacts the salmon to which the area tribes have treaty rights. These respondents believe the agencies responsible for issuing dredge permits would not allow maintenance dredging without a long-term plan to remove the dam. This, they say, would be based on the status of tribal treaties as the "supreme law of the land."

Other perspectives on the prospect of a managed lake held by significant numbers of interviewees are listed below. These are generally presented in the order of the frequency with which they were cited:

- Water quality in the lake would continue to be a concern. Though a small number of respondents believe Capitol Lake has good water quality, the vast majority cite this as a problem.
- Capitol Lake provides an important visual and recreational amenity for downtown Olympia.
- Invasive species are a concern, adding complexity and cost to disposal of lake dredge spoils.
- The dam provides a "free" sediment management service for the Port and Marina.
- Fish passage past the dam would be important if the dam remains in place.

C. Dual Basin Approach

The specific dual basin management option considered by the CLAMP process was generally viewed by respondents as too expensive and difficult to engineer. Many respondents expressed support for the idea of attempting to capture the benefits of both a lake and an estuary, with some suggesting that there may be some feasible type of "hybrid" approach aside from the one considered by CLAMP. This is addressed in more detail below in Section VII-B.

[5] CLAMP Factsheet 4, *Hydrodynamcs and Sediment Transport Model.*

D. Status Quo

While the majority of interviewees see the status quo as unacceptable, a few think letting the sediment continue to accumulate until the lake becomes a marsh would not be a terrible outcome.

V. OTHER ISSUES RAISED

CLAMP Process: Some spoke of the CLAMP proceedings as "been there, done that" in terms of having undertaken a comprehensive, collaborative process with exhaustive scientific, financial and other studies. Others saw the CLAMP process as biased in favor of a predetermined outcome, or found other faults with it. Some believe the studies were incomplete or inaccurate, that private property and business interests should have been at the table or that the government agency participants were picked for their policy preferences. Some think the CLAMP process achieved robust engagement of stakeholders and the public, while others believe one or more parties were left out, or that insufficient public input was obtained.

Science: Views on the available science emerged as a clear area of widely differing opinion during the assessment. Many respondents say the science is settled, some say it is in doubt. The majority of interviewees who commented on the science believed that estuary restoration is the best management option, based on the water quality science. Multiple interviewees who question the studies conducted for the CLAMP process articulated a perception of state agency bias in favor of salmon and estuary restoration, variously questioning the science itself or the focus of what was studied. Others believe that the attachment others have to the Lake biases their perception of the science.

Cost: A similar dynamic emerged with regard to the financial information on various management options. Most respondents who cited costs as an issue stated that estuary restoration would have a higher upfront capital expense, but much lower long-term costs, than a managed lake approach (due to ongoing maintenance for managing dredging, invasive species, water quality and other issues related to the managed lake option). However, a constituency exists that strongly believes estuary restoration would cost more than a managed lake, presumably because of the up-front capital costs.

Frustration: Many respondents expressed frustration at the inaction on this situation by the State, with some going so far as to say that the State has defaulted on its responsibility to manage Capitol Lake. Some interviewees said the State does not have the urgency to improve the situation that the City of Olympia does. This leaves local residents confused as to why the City cannot manage the Lake, and legislators reluctant to allocate funds to a feature in the heart of Olympia that might impact funding to other areas of the State.

Infrastructure: Many interviewees described decaying or insufficient infrastructure as needing to be addressed, whether or not the dam gets removed. The isthmus was described as stagnating, or as a blighted area. Though the current budget climate is challenging, interviewees stated that deciding on a long-term management plan can bring great opportunities to leverage outside funding or partnerships (such as federal money or a new funding district, described below), or for a waterfront redesign. Whatever the path forward, respondents noted that the dam is aging and that the need to address (replace or remove) a sub-standard structure may force a decision on a long-term management plan.

Bats: Multiple interviewees mentioned the Woodard Bay bat colony (the largest known colony of bats in western Washington), from which thousands of pregnant and nursing female bats visit Capitol Lake each night during the summer months. The bats in the colony rely on a certain type of insect that uses the Lake. It is important to these respondents to avoid any construction or other disruption from June through August.

Historical intent of Olmsted brothers, Wilder and White: Some respondents state that the original design of the Capitol campus centered on having a reflecting Lake; others dispute this by pointing out that the reflecting aspect of the Lake is not mentioned in the Executive Summary of the West Campus Historic Landscape Preservation Plan.

VI. PROSPECTS FOR A COLLABORATIVE SOLUTION

A. Challenges

The majority of respondents support a collaborative dialogue to resolve issues. However, a smaller number believe CLAMP already accomplished that, and see no need for further dialogue. Another challenge to a potential collaborative effort lies in the polarization apparent among interviewees: many have deeply entrenched views and are not seen by others as open to any compromise. For example, the leadership of the lake vs. estuary factions were described as "gearing up for a fight." Others noted conflict over the science.

Interviewees made it clear that dam removal will be a sticking point—the parties on the two sides of that issue are not seen as being likely to come to an agreement. Thus, many respondents believe that a collaborative process – if it included the non-governmental advocacy organizations and attempted to reach consensus on an "either/or" choice of comprehensive estuary restoration vs. retaining Capitol Lake – would not succeed.

Other barriers to collaboration that would need to be addressed for such a process to succeed include:

- Disagreement on certain basic facts related to scientific and financial data, and what multiple respondents described as "misinformation."
- A number of interviewees believe that one or more parties with leverage perceive that they have a better alternative to a collaborative process (such as a legislative or litigation-based approach).
- For agreement to be reached among key interests, a facilitator would need to be identified who is regarded by all participants as neutral; such a party was not identified in this assessment. There are, however, many experienced and qualified practitioners in the region.

B. Opportunities

Despite the above challenges that will need to be addressed, most respondents expressed what might be characterized as guarded optimism about the prospects for collaborative dialogue to make progress on certain elements of the situation, though perhaps not on the issue of dam removal.

VII. CREATIVE IDEAS

This section provides detail on the recommendations in Section VIII that do not relate directly to the workings of a collaborative process.

A. Local Funding Mechanism

Mentioned in Section III-C-a, a suggestion emerged during the interviews to address the financing of long-term management via a new "Watershed Management District" with taxing authority, charged with managing the whole of the Deschutes River Basin. Agencies charged with providing public services related to the health and management of the watershed could come together and form such a district to generate funds from taxes or ratepayer fees that would provide the resources needed to manage a healthy watershed.

B. New "Hybrid" Approach

Several interviewees expressed support for some sort of hybrid solution, one that might retain the qualities that many value about the Lake, while restoring ecosystem functions to the natural estuary system. The dual-basin idea considered by the CLAMP Steering Committee was seen as too expensive and difficult to engineer; however, other potential options emerged. These can be divided into two basic models specifically suggested by participants in this process: 1) a temporal split between a lake and an estuary, and 2) a spatial split between the two.

- A temporal system might utilize movable tide gates, inflatable or otherwise, opening at appropriate times to allow estuary functions, and closing for periods to provide reflecting and other lake functions. (The inflatable tide gate approach has been implemented in Venice, Italy as a method of flood mitigation.)[6]
- A spatial split would be similar to the dual basin CLAMP option, but involve a less costly and complex divider between a restored estuary to the west and a reflecting pool or lake to the east, with the suggestion to consider a simple north-south berm or levee divider. More than one person suggested that this approach might leave advocates of both Capitol Lake and comprehensive estuary restoration unhappy, since it would provide fewer benefits related to whatever full-scale option they favor; however, it may be possible to maintain a base level of the desired features of both the Lake and estuary. This type of approach was described in a letter to the Olympian.[7]

Other creative ideas conveyed during the assessment:

- Rotating photo bioreactor to address water quality issues. This proprietary technology was described in a letter submitted to the Center.
- Heritage Park swimming pool, to replace lost swimming opportunity if the Lake is removed.

VIII. RECOMMENDATIONS

One recurring theme in this assessment may be paraphrased as, "Someone needs to step up and make a decision." While the Capitol Campus is managed by the State, respondents view resolving these issues as a high priority for area residents and local government agencies. This disconnect – between who has the *responsibility* for making a decision and who has the *highest need for* a decision – apparently frustrates many local residents. While acknowledging the challenging budget decisions facing the 2015 Legislature, most respondents feel it important that the State Capitol Committee forward a decision to the Legislature that gets adopted, with some level of funding, during the upcoming legislative session.

[6] This approach is described here: www.oly-wa.us/greenpages/Article.php?id=2012;03;201203e

[7] See www.theolympian.com/2014/09/16/3319771_compromise-with-smaller-capitol.html?rh=1

Synthesizing the input gained in this assessment, constructive next steps might include #1, #2, and/or #3 below:

1. Resolve the dispute regarding the modeling of the dam's impact on water quality in Budd Inlet by selecting one (or both) of the following paths:
   - Obtain another independent scientific review of the Washington State Department of Ecology's (Ecology) computer models of this dynamic,[8]
   - Request that those independent reviewers—and possibly a third party facilitator—participate in one or more meetings between Ecology technical staff and the outside scientists who have questioned their computer model, to see if it is possible to refine the model such that these parties are in agreement about the validity of the findings[9].

2. Invite the CLAMP entities to participate in a potential collaborative process, with a facilitator regarded as neutral by all the parties. The purpose of this collaborative dialogue could be to:
   - Develop and evaluate one or more of the "hybrid" solutions described above, *and/or any other approach that the group agrees satisfies the majority of collaboratively-identified common interests (along the lines of the elements of a stable solution outlined in Section III*); and
   - Identify the data/science questions that need to be answered to accurately evaluate those long-term management options.

If this collaborative effort is convened, interviewees tended to think that the chances of success would be highest if the process had the following elements:

- Development and agreement on a shared vision;
- A clear definition of consensus and of how decisions will be made;
- A focus on the potential to capture the amenities of both lake and estuary;
- Consideration of the effects of land and river management upstream in the Deschutes River Basin, along with the impacts of management decisions on Budd Inlet;
- A strong base of agreed-upon factual information, preceded if necessary by a fact-finding effort done through an entity/entities acceptable to all parties;
- Acknowledgement that the CLAMP collaboration has already occurred and structuring a new process to avoid the same criticisms voiced about CLAMP (at the beginning of Section V), e.g. different data collectors, broader geographic scope, and perhaps a different name/acronym to reflect the potential broader geographic scope;
- The CLAMP entities (identified in Section II-A)—with executive leaders either at the table or in direct communication with staff representatives—channeling public input through the individual governments;[10]

[8] The U.S. Environmental Protection Agency (EPA) has conducted two independent peer reviews by national experts on computer modeling (www.ecy.wa.gov/programs/wq/tmdl/deschutes/technical.html) of Ecology's computer models and the reviewers' comments have been addressed to the reviewers' satisfaction. Still, not everyone agrees on the water quality model and it might behoove proponents of that model to seek an independent reviewer whose conclusions all sides would accept. This independent review must be conducted by national-level experts, provided their participation is deemed acceptable by all involved parties.

[9] On November 3rd, 2014, scientists from Ecology and the Squaxin Island Tribe, and associated with the Capitol Lake Improvement and Protection Agency, held a meeting to discuss the water quality model.

[10] Limiting the group to the CLAMP entities is likely to mitigate the polarization mentioned above; however, respondents suggested that for the longer term, specifics of various management issues would benefit from a larger public input process.

- The potential inclusion of or consultation with other public service agencies such as the Lacey-Olympia-Thurston-Tumwater (LOTT) Clean Water Alliance;
- The active participation or open liaison work with the agencies from whom dredging permits/approvals would be required, in order to ascertain that emerging management options would be compatible with obtaining the required permits/approvals for the anticipated dredging; and
- Proactive public engagement by representative governments, to ensure robust input from their respective constituencies that they can bring back to the collaborative effort.

3. Begin conversations among the CLAMP entities and any other appropriate public service agencies within the Deschutes Basin (e.g. LOTT Clean Water Alliance, potentially one or more upstream local government agencies or major landowners) about a cost-sharing strategy and funding mechanism for long-term management of sediment, water quality, infrastructure, and other anticipated areas of capital expenditure. This could take the form of a what one respondent proposed as a "Deschutes River Basin Management District," as outlined in Section VII-A.

If conditions are not currently ripe for consensus to be reached on the specific issue of dam removal or a particular hybrid approach, the question then becomes "What next?" A prospective collaborative dialogue would likely still be productive if it focused on articulating areas of agreement and disagreement, as opposed to attempting consensus on a detailed long-term management recommendation. It could focus on identifying and confirming:

- Common interests or outcomes along with long-term priorities for the Deschutes River Watershed and Capitol Lake/Budd Inlet system;
- Mapping out elements of a sustainable solution; and
- Identifying and evaluating potential funding mechanisms.

IX. CONCLUSION

This report recommends establishing a common information base before pursuing efforts to initiate a collaborative process. That process could develop agreement on common interests and the elements of a stable solution, and perhaps a specific long-term management recommendation. It will be important to gain agreement on both scientific data and cost estimates to serve as a foundation for generating and agreeing on management actions or priorities.

The William D. Ruckelshaus Center is pleased to submit this report to the Washington State Department of Enterprise Services, and hopes these results help decision-makers and other interested parties determine whether or not to proceed with a collaborative process—including potential issues, outcomes, concerns, challenges, participants, design and facilitation—as well as alternative ways to proceed, if a collaborative process is not pursued. For any questions, please contact the Center at ruckelshauscenter@wsu.edu, 206-428-3021 or 509-335-2937.

Appendix A: Interviewee Names and Affiliations (Alphabetized by Category)
William D. Ruckelshaus Center Situation Assessment on Capitol Lake

Name	Category/Categories	Affiliation(s)
Haskell, Dennis	Architecture	Capitol Campus Design Advisory Cmte
Lorenz, Connie	Business	Olympia Downtown Association
Milne, David	Citizen/resident	Evergreen State College (retired)
Drees, Douglas	Citizen/resident	None
Melnick, Don	Engineering	None
Habel, Darren	Federal government	United States Army Corps of Engineers
Tanner, Curtis	Federal government	United States Fish & Wildlife Service
Buxbaum, Stephen H.	Local government: elected officials	City of Olympia
Kmet, Pete & McLanahan, Neil	Local government: elected officials	City of Tumwater
Jones, Nathaniel	Local government: elected officials	Deputy Mayor, City of Olympia
Romero, Sandra	Local government: elected officials	Thurston County
Valenzuela, Karen	Local government: elected officials	Thurston County
Liu, Chris & Covington, Bob	State government: staff	WA Department of Enterprise Services
Hall, Steve	Local government: staff	City of Olympia
Hoey, Rich	Local government: staff	City of Olympia
Moore, Cliff	Local government: staff	Thurston County
Morrison, Steven	Local government: staff	Thurston Regional Planning Council
Strub, Mike	Local government: staff	Lacey/Olympia/Tumwater/Thurston Clean Water Alliance (LOTT)
Smith, Alex	Local government: staff/Marine Business	Port of Olympia
Wubbena, Bob	Marine Business	Capitol Lake Improvement & Protection Association (CLIPA)
DeMeyer, Jack	Marine Business	Olympia Yacht Club
Dodge, John	Media	The Olympian
Olmsted, Judy	Non-governmental organization	Bats About Our Town
Peeler, Dave	Non-governmental organization	Deschutes Estuary Restoration Team (DERT)
Wheatley, Helen	Non-governmental organization	DERT
Patnude, Sue	Non-governmental organization	DERT
Miller, Allen	Non-governmental organization	North Capitol Campus Heritage Park Development Association, CLIPA board
McCallum, Martin	Non-governmental organization	Olympia Stream Team Volunteer
Rentfrow, Mark	Non-governmental organization	South Capitol Neighborhoood Association
Larsen-Mills, Diana	Non-governmental organization	South Sound Estuary Association
Vadas, Bob	Non-governmental organization	Trout Unlimited, South Sound Estuary Association
Goldmark, Hon. Peter	State government: elected officials	Commissioner of Public Lands, Capitol Campus Committee
Wyman, Hon. Kim	State government: elected officials	Secretary of State, Capitol Campus Committee
Hunt, Hon. Sam	State government: elected officials	WA House of Representatives
Reykdal, Hon. Chris	State government: elected officials	WA House of Representatives

(continued)

Appendix A: Interviewee Names and Affiliations (Alphabetized by Category)
William D. Ruckelshaus Center Situation Assessment on Capitol Lake

Name	Category/Categories	Affiliation(s)
Wilcox, Hon. J.T.	State government: elected officials	WA House of Representatives
Owen, Hon. Brad	State government: elected officials	WA Lieutentant Governor, Capitol Campus Committee
Fraser, Hon. Karen	State government: elected officials	WA State Senate
Duff, Rob	State government: staff	Governor's office, Capitol Campus Committee
Toteff, Sally; Roberts, Mindy; Doenges, Rich; Lund, Perry; Kendra, Will	State government: staff	WA Department of Ecology
Erskine, Jim	State government: staff	WA Department of Enterprise Services
Carlson, Margen	State government: staff	WA Department of Fish & Wildlife
Brown, Wendy	State government: staff	WA Recreation & Conservation Office
Dickison, Jeff	Tribal government: staff	Squaxin Island Tribe

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Appendix B
Assessment Process and Interview Questions:
Capitol Lake Situation Assessment Interview Guide

Introduction

- The William D. Ruckelshaus Center is a joint program of Washington State University and the University of Washington with the mission to foster collaborative public policy in Washington and the Pacific Northwest.
- This interview is one of a number being conducted with a diverse set of parties as part of a situation assessment with representatives of members of the Capitol Lake Adaptive Management Plan (CLAMP) Steering Committee and other interested parties.
- This situation assessment is a semi-structured, interview-based process undertaken to better understand and explore issues and interests of involved parties as well as the situation dynamics.
- The assessment is neutral—neither the Center nor the interviewers have a stake in the outcome.

Assessment Process Information

- Participation is completely voluntary. You can choose at any time during the interview to decline to answer a question or end the interview.
- Your responses will remain confidential, by which we mean that while the assessment report will include a list of who was interviewed and key themes that emerged from the interviews, specific statements will not be attributed to individual interviewees.
- After we complete the interviews, the findings will be summarized in a report articulating the major issues and key parties involved, and documenting their interests and perspectives. The report will focus on process, it won't make policy recommendations. After it is submitted, it will be made available to everyone who participated and other interested parties.
- These assessment questions have been reviewed by Washington State University's Office of Research Assurances, which has determined that the study satisfies the criteria for Exempt Research (meaning it is exempt from needing further review by that office).
- Prior to proceeding with the interview questions, I want to confirm that you are willing to continue with this interview.

Questions

1. Please tell us about your background, affiliation, involvement and interests with respect to Capitol Lake.

2. What would you describe as the major issues associated with Capitol Lake? Are there challenges or barriers to addressing these issues? If so, what are they?

3. Are you familiar with the options considered by the CLAMP Steering Committee in 2009? (*NOTE: options are listed a-d here, with more detail at end.*) Can you briefly describe what you see as the pros and cons of each option? Are there other options you think should be considered? Do you have a preferred option?
    a. Comprehensive estuary restoration
    b. Managed lake

c. Dual basin estuary
d. Status quo

4. Do you think a collaborative process might be appropriate to address this situation? (In this context, a collaborative process means a solution-focused dialogue among all the key interests, participating willingly, that is convened and facilitated by a neutral third party.) What would you hope could be accomplished in such a process—what would a successful outcome look like?

5. Who would need to be involved to reach and implement a collaborative solution? Would you/your organization be willing to participate, if appropriate?

6. Do you think that there is incentive for those who would need to be part of a collaborative process on these issues to participate—to negotiate and seek common ground?

7. If a collaborative approach is not appropriate, what (if anything) do you think should happen next?

8. Who do you think it is important that we interview as part of this assessment? Why is it important to speak to him/her?

9. What should we have asked that we did not?

10. Do you have any questions for us?

1.3 Description of Alternatives – *(NOTE: these are abbreviated, distilled from the "Capitol Lake Alternatives Analysis" document; any suggested edits are welcome)*

1.3.1 Status Quo
Under this alternative, ongoing CLAMP management actions would continue. These actions include; managing the lake elevation to avoid flooding of adjacent properties, removal of noxious weeds along the shoreline and milfoil from the lake, and control of the resident Canada geese population. This alternative assumes that the Capitol Lake dam would remain and be maintained in good working order. New construction may include building a pedestrian bypass around the dam and other design elements during the final phases of Heritage Park construction. There would be no changes to the adjacent roadway system with this alternative.

This alternative also assumes that no dredging would occur within the basin.

1.3.2 Managed Lake
Under this alternative, ongoing CLAMP management actions would continue. These would include; managing the lake elevation to avoid flooding of adjacent properties, removal of noxious weeds along the shoreline and milfoil from the lake, and control of the resident Canada geese population.

This alternative assumes that the Capitol Lake dam would remain and be maintained in good working order. New construction would include building a pedestrian bypass around the dam and development of the final phase of Heritage Park. There would be no changes to the adjacent roadway system with this alternative.

This alternative also assumes that the north and middle basins of Capitol Lake would be dredged

1.3.3 Estuary

Under this alternative, ongoing CLAMP management actions would continue until the dam is removed. This would include; managing the lake elevation to avoid flooding of adjacent properties, removal of noxious weeds, and control of the resident Canada geese population.

A feasibility study evaluated various estuary options. The selected design for this alternative (labeled as "Option A" in the *2008 Estuary Feasibility Study*) would remove the Capitol Lake dam. This would create a tidal opening of about 500 feet that would be similar to the existing opening under the 4th Avenue bridge. A new 5th Avenue bridge would be constructed over the opening. A new intersection of Deschutes Parkway and 5th Avenue would be constructed to the west of the new bridge, connecting to the 4th Avenue roundabout.

The Estuary alternative would require protecting the foundation of Deschutes Parkway. A blanket of large rocks would be laid along the lake side of the roadway and keyed into the base of the shoreline. This rock buttress would be constructed along the western shore of the existing lake and along the Percival Cove causeway.

Prior to removing the dam, an initial dredge of approximately 395,000 cubic yards would occur in the main channel of the existing lake.

1.3.4 Dual-Basin Estuary

The Dual-Basin Estuary alternative describes basin conditions with tidal influence and a reflecting pool adjacent to Heritage Park. This alternative is the same as the Estuary alternative, except for the reflecting pool. The ongoing CLAMP management actions of flood protection, removal of noxious weeds, and control of the Canada geese population would continue.

This alternative would require all of the major construction required for the Estuary alternative. This includes removing the Capitol Lake Dam, constructing a new 5th Avenue Bridge, creating a new intersection for Deschutes Parkway and 5th Avenue, installing a rock buttress along Deschutes Parkway, dredging the lake prior to removing the dam, and placing lake sediments along the roadway to create intertidal habitat.

This alternative would also require the construction of a 1,900 foot long barrier built of sheet pile and topped with a pedestrian walkway. It would connect to the existing shoreline east of the current dam and east of the BNSF Railroad trestle.

The western side of the north basin would be an estuary of about 61 acres, with the eastern side being a reflecting pool of about 39 acres. Baffles constructed in the barrier would keep the pool water at a desired level during low tide. They would also help to circulate salt water inside the reflecting pool and lessen water quality concerns. A design to use fresh water in the pool was found to be infeasible.

This alternative would increase the amount of sediment discharging into Budd Inlet and increase the need to dredge the navigation channel, Percival Landing marinas, and the Port of Olympia.

Community use of the roads, parks, and sidewalks adjacent to the lake would change slightly due to the revised road alignment. Piers and docks around the lake would only be accessible during periods of high tide. It is assumed that the shift to tidal conditions would (temporarily, at least) eliminate the growth of freshwater invasive aquatic weeds.

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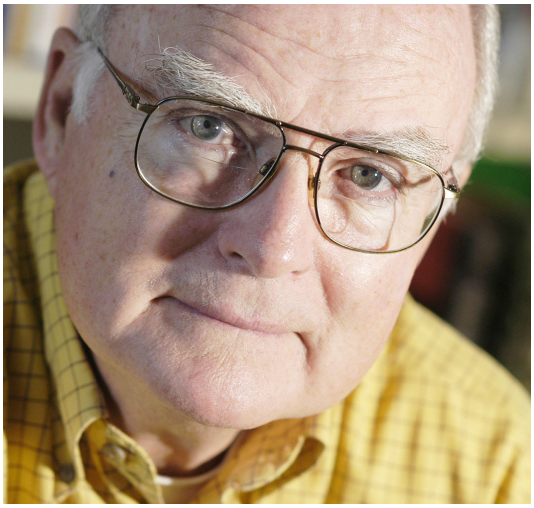

"Collaborative problem solving is an enormously powerful approach to resolving conflicts; it holds great promise for better, faster and more sustainable policy decisions. With the combined resources of our premier research institutions, this center establishes an invaluable neutral forum for addressing some of our most complex and pressing challenges."

– WILLIAM D. RUCKELSHAUS

For more information on the William D. Ruckelshaus Center, please visit our web site at: http://RuckelshausCenter.wsu.edu

about the center

Mission & Vision

The mission of the William D. Ruckelshaus Center is to act as a neutral resource for collaborative problem solving in the State of Washington and Pacific Northwest. The Center provides expertise to improve the quality and availability of voluntary collaborative approaches for policy development and multi-party dispute resolution.

The Center is a joint effort of Washington's two research universities and was developed in response to requests from community leaders. Building on the unique strengths of the two institutions, the Center is dedicated to assisting public, private, tribal, non-profit and other community leaders in their efforts to build consensus and resolve conflicts around difficult public policy issues. The Center also advances the teaching and research missions of the two universities by bringing real-world policy issues to the academic setting.

The Center envisions a future in which governmental leaders, policy makers, stakeholders and citizens in the state of Washington and the Pacific Northwest routinely employ the tools of collaborative decision making to design, conduct and implement successful public policy processes.

Services

The Center can:

- Provide a neutral and safe forum for parties to define and resolve issues
- Conduct a situation assessment to determine the most productive means of addressing the issues
- Provide facilitation, mediation, dispute resolution, project management, strategic planning and other services that help parties reach consensus and resolve issues
- Serve as an information portal for resources and research to be used by the parties
- Perform applied research and fact finding
- Provide knowledge, training, and infrastructure development to improve the collaborative problem-solving capacity of the parties and institutions
- Host policy discussions

"Compliments to the Ruckelshaus Center for helping us all to forge a path forward. We certainly wouldn't have gotten to this point without you."

–KAREN VALENZUELA
Governor's Chehalis Work Group

Projects

The Center offers assistance, training, and research to advance some of the most challenging issues in the state, including natural resources policy, socio-economic issues, and regulatory reform. The Center provides expertise in the process of defining the issues, enhancing the ability of stakeholders to address the substance of the issues and come to agreement.

Prior to conducting a project, the Center follows a deliberate approach of first seeking confidence of the affected and interested parties through consultation with key stakeholders. The Center's role is to improve understanding among parties and enhance the possibilities for progress on issues, rather than dictate an answer from the universities. The results belong to the parties themselves; the Center provides an independent forum and neutral resources that create the possibility for these results to take shape.

Governance and Funding

The Center is hosted at the University of Washington by the Daniel J. Evans School of Public Affairs, and at Washington State University by WSU Extension. The Center has offices in Seattle, Olympia and Pullman. It is overseen by an advisory board chaired by William Ruckelshaus and composed of prominent local and state leaders representing a broad range of constituencies and geographic locations in the region. Funding for the Center is sought from a mix of sources, including foundations, corporations, individuals, agencies, other state and federal sources, and fees for services when appropriate.

WSU Extension and UW Evans School of Public Affairs programs and employment are available to all without discrimination.

12/1/14

William D. Ruckelshaus Center

121 Hulbert Hall | 901 Fifth Avenue
PO Box 646248 | Suite 2900
Pullman, WA 99164-6248 | Seattle, WA 98164-2040
(509) 335-2937 | (206) 428-3021
RuckelshausCenter@wsu.edu

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