



City Council

Approval of a Resolution Authorizing an Amendment to the Interlocal Agreement between the Cities of Olympia, Lacey and Yelm for Implementing the Deschutes Water Rights Mitigation Strategy - Phase V

Agenda Date: 4/13/2021
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Title

Approval of a Resolution Authorizing an Amendment to the Interlocal Agreement between the Cities of Olympia, Lacey and Yelm for Implementing the Deschutes Water Rights Mitigation Strategy - Phase V

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve a Resolution authorizing the City Manager to sign the amendment to the Interlocal Agreement for implementing the Deschutes Water Rights Mitigation Strategy.

Report

Issue:

Whether to approve a Resolution authorizing the City Manager to sign the amendment to the Interlocal Agreement for implementing the Deschutes Water Rights Mitigation Strategy.

Staff Contact:

Eric Christensen, Water Resources Director, Public Works Department, 360.570.3741

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

Since 2007, the Cities of Olympia, Lacey and Yelm have collaborated to jointly purchase, maintain and restore a 200-acre property in the Deschutes River watershed (Deschutes River property). Strategies, approved by the Washington Department of Ecology (WDOE), to mitigate for impacts to the Deschutes River resulting from each city's respective water rights have been conducted through a series of five interlocal agreements. Olympia's McAllister Wellfield water rights were issued by

WDOE in December 2011, Lacey's water rights were issued in May 2012, and Yelm's water right was approved but appealed in November 2011. Yelm still hopes to benefit from the work performed to date at the Deschutes River property, that included:

- Acquisition of the property and associated water rights,
- Riparian planting along one mile of river frontage,
- Stream channel and wetland restoration, and
- Ongoing land management responsibilities.

The Cities need to continue to manage and maintain the jointly owned Deschutes River property to establish the wetlands and riparian buffer plantings. The South Puget Sound Salmon Enhancement Group, a state-established Regional Fisheries Enhancement Group, has been contracted through 2021 to maintain and manage the property. Maintenance activities include fence repair, pasture management, and riparian and wetland area plant establishment monitoring. The current (Phase V) interlocal agreement limits these activities through 2020. Amendment of the interlocal agreement is necessary to allow for continued land management and maintenance. The Cities intend to own and maintain the Deschutes River property until mitigation strategies are complete, at which time we may consider placing the property into a land trust.

Neighborhood/Community Interests (if known):

The McAllister Wellfield is the source of almost 80 percent of Olympia's water. Fulfilling mitigation obligations is essential to maintaining the McAllister Wellfield water rights. The Deschutes River property may also present the Cities with opportunities for future restoration projects to benefit the environment and water rights.

Options:

1. Approve a Resolution authorizing the City Manager to sign the amendment to the Interlocal Agreement for implementing the Deschutes Water Rights Mitigation Strategy.
2. Modify the amendment to the interlocal agreement by providing feedback to staff on desired changes with a recommendation to bring it back to Council. This option will delay implementation and could have regulatory implications.
3. Do not recommend approving the amendment to the interlocal agreement and provide guidance to staff on next steps.

Financial Impact:

Olympia has budgeted approximately \$100,000 from the Drinking Water Utility Capital Fund for continued maintenance of the Deschutes River property.

Attachments:

Resolution
Amended Agreement