FUNDING AND GOVERNANCE WORK GROUP
Meeting Agenda

10:00 Welcome and Introductions
10:10 Walk through roles/responsibilities and decision process
10:30 Governance framework: recap and discussion
11:30 Funding strategy: Key questions and next steps
11:40 Assignments for individual meetings and next steps
11:45 Public comments
12:00 Adjourn
Stakeholder Support

- Broad agreement that action must be taken; no action is not an option
- Agreement on shared funding and governance allows this project to move forward after years of study
# FGWG Existing Recommendations

<table>
<thead>
<tr>
<th>Estuary Alternative</th>
<th>Design, Permitting, &amp; Construction Costs</th>
<th>30-Year Maintenance Dredging Costs if In-Water Disposal (Assumed)</th>
<th>30-Year Maintenance Dredging Costs if Upland Disposal (Cannot be Excluded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FGWG Recommendations and Notes</td>
<td><strong>State responsibility</strong>&lt;br&gt;High potential for diversified funding to reduce state responsibility (e.g., federal, tribal, philanthropic)&lt;br&gt;Spent over 10 years (2023-33)</td>
<td><strong>Shared responsibility of FGWG and focus of this process</strong>&lt;br&gt;Funding and governance would begin after state-led construction, including removal of the state-constructed 5th Ave Dam and restoration of the waterbody&lt;br&gt;In-water disposal is assumed, but inherent uncertainty requires upland disposal to be costed</td>
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</table>
Focus of Early Legislative Engagement

- Keep apprised of progress for long-term sediment management
  - Critical to project success and area of key focus for stakeholders
  - Fundamental to maintaining commercial and recreational navigation in West Bay and avoiding impacts

- Track potential needs for future legislative action and provide strategic guidance to FGWG
  - E.g., code amendments to accommodate shared governance

- Bring information back to legislature and increase legislative support
  - Build awareness for timing and approach to overall funding strategy
  - Ensure no surprises in future capital asks for design/permitting and then construction

- Speak to tangible outcomes from this process
  - Remind stakeholders at all levels that not taking action is an unacceptable outcome
  - Estuary restoration best supports a range of tribal, federal, state, and local goals
FGWG Roles, Responsibilities, Decision Framework

FGWG Representative

- Represent the interests of their organization
  - Communicate to organizational leadership about process and F&G strategy options
  - Communicate to FGWG about input from organizational leadership
- Provide advice on FGWG strategy development
  - Assist in identifying and defining funding and governance options
  - Provide technical advice on funding and governance options
- Facilitate progress towards a negotiated F&G outcome
  - Ensure issues are identified and addressed through the FGWG process
  - Identify support needed for organizational leadership to reach formal agreement
  - Facilitate internal meetings as needed through FGWG process to promote ongoing coordination
FGWG Roles, Responsibilities, Decision Framework

Organizational Leadership

- Organizational leadership includes Executive Work Group members and others as specific to each organization

- Have final decisional authority to adopt a F&G strategy
  - Work with **FGWG representative** to communicate input to **FGWG**
  - Engage in individual meetings with **FGWG support team** to discuss F&G options and strategy development, including no-go positions
FGWG Decision at Final Agreement

Collaborative Decision-Making Process

- FGWG membership develops and recommends a governance structure and funding strategy to their organizational leadership to formally sign

- Success is obtaining sufficient support for legal agreement and funding strategy to ensure long-term management
## Recap: Governance Models

<table>
<thead>
<tr>
<th>Governance Models</th>
<th>Description</th>
<th>Formation</th>
<th>Membership</th>
<th>Authority</th>
<th>Resources</th>
<th>Examples</th>
<th>Takeaways</th>
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<tr>
<td><strong>Must Have</strong></td>
<td>N/A</td>
<td>Forming entities have power to create/reconstitute</td>
<td>- Must state continue to be involved? (Part of Phase 1: Building Principles)</td>
<td>- Ability to set/carry out goals</td>
<td>- Sufficient to cover costs</td>
<td>- No agreement upon goals or central authority to carry out goals</td>
<td>- Entities each have funding, contracting and real estate authority. - Various funding sources, but not stable or predictable.</td>
</tr>
<tr>
<td><strong>Status Quo</strong></td>
<td>Facilities owned/maintained by individual entities.</td>
<td>No independent structure</td>
<td>No independent entity</td>
<td>Each entity has its own governance structure and authority.</td>
<td>Each entity has its own revenue source and authority.</td>
<td>No agreement upon goals or central authority to carry out goals.</td>
<td>- Entities each have funding, contracting and real estate authority. - Various funding sources, but not stable or predictable.</td>
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<tr>
<td><strong>Special Purpose District</strong></td>
<td>New public entity with set geographic boundaries to solicit revenue and spend it on specified public services.</td>
<td>County legislative action</td>
<td>Defined by legislation enacting SPOs</td>
<td>Leadership dependent of district.</td>
<td>Varies based on authority needed.</td>
<td>- No agreement upon goals or central authority to carry out goals.</td>
<td>- Entities each have funding, contracting and real estate authority. - Various funding sources, but not stable or predictable.</td>
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<td><strong>Public Development Authority</strong></td>
<td>New quasi-municipal corporation created for a specific project. Authorized by New York State.</td>
<td>- Membership may vary based on project.</td>
<td>- Governing Board with specifics determined in charter.</td>
<td>- Set by charter.</td>
<td>- Set by charter.</td>
<td>- Independent entity with defined boundaries.</td>
<td>- May require approval from. - Can set and carry out own goals. - Independent hiring, contracting, and real estate authority. - Various funding sources, but not stable or predictable.</td>
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<td><strong>Legal Agreement</strong></td>
<td>A binding written document authorizing signatures requirements, responsibilities, and payment amounts.</td>
<td>- Signing parties/Agreement.</td>
<td>- Governing Board with specifics determined in charter.</td>
<td>- Set by Agreement.</td>
<td>- Skimming agreements or payments from entities.</td>
<td>- Independent entity with defined boundaries.</td>
<td>- May require approval from. - Can set and carry out own goals. - Independent hiring, contracting, and real estate authority. - Various funding sources, but not stable or predictable.</td>
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<td><strong>Non-profit</strong></td>
<td>Organization created under IRS Sec. 501(c)(3) to accept and use revenue for public purpose. Formed by public entity, also considered a public entity, but some grey areas.</td>
<td>- Bylaws.</td>
<td>- Board of Directors.</td>
<td>- Bylaws can be flexible.</td>
<td>- Board of Directors.</td>
<td>- Independent entity with defined boundaries.</td>
<td>- May require approval from. - Can set and carry out own goals. - Independent hiring, contracting, and real estate authority. - Various funding sources, but not stable or predictable.</td>
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<td><strong>Joint Municipal Utility Authority</strong></td>
<td>An agreement among existing municipalities or service providers to coordinate on utility provision, as authorized by the Joint Municipal Utility Services Act (39.05.063).</td>
<td>- Bylaws.</td>
<td>- Board of Directors.</td>
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<td>- Board of Directors.</td>
<td>- Independent entity with defined boundaries.</td>
<td>- May require approval from. - Can set and carry out own goals. - Independent hiring, contracting, and real estate authority. - Various funding sources, but not stable or predictable.</td>
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**Governance Models**
- Special Purpose District
- Public Development Authority
- Legal Agreement
- Non-Profit
- Joint Municipal Authority

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**CAPITOL LAKE – DESCHUTES ESTUARY**
Long-Term Management Project
Environmental Impact Statement
# Recap: Governance Models “Must Haves”

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<tr>
<td>&quot;Must Haves&quot;</td>
<td>N/A</td>
<td>- Forming entities have power to create/enact</td>
<td>- Must state continue to be involved if Part of Phase 1 (Bulding Principles)</td>
<td>- Ability to set/carry out goals. DISCUSSION: Level of autonomy and authority? Financing entities have control over decisions.</td>
<td>- Basin-wide actions. Employ Staff. Enter Contracts. DISCUSSION: Can real assets?</td>
<td>- Sufficient to cover (project)</td>
<td>- Stable, predictable, sufficient revenues. Can issue debt. Can control over finances.</td>
</tr>
<tr>
<td>Status Quo</td>
<td>Facilities owned/maintained by individual entities. All fee coordination/funding. Each entity can block goals and actions of others. Limited ability for any individual entity to move</td>
<td>Do not change existing structures. No independent entity.</td>
<td>No Independent authority</td>
<td>Each entity has only effectively its own geographic region. No independent authority.</td>
<td>Each entity has own dedicated regional staff.</td>
<td>Can respond to project needs at a basin level. Each entity has its own dedicated regional staff.</td>
<td>- Employment opportunities, local real estate ownership. Can respond to project needs at a basin level. Can issue debt. Can control over finances.</td>
</tr>
<tr>
<td>Special Purpose District</td>
<td>New public entity with set geographic boundary to solicit revenue and spend it on specified public services.</td>
<td>Landowner Led Initiative - May require public vote depending on type of district.</td>
<td>- Defined by legislation amending SPOs. Members are generally the residents of the district and not the subsidiary entities.</td>
<td>Leadership depends on type of district.</td>
<td>Set by authorizing creating entity over any public purpose geographic.</td>
<td>- Stable, predictable, sufficient revenues. Can issue debt. Can control over finances.</td>
<td></td>
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<td>Public Development Authority</td>
<td>New quasi-municipal corporation created for a specific project. Authorized by RCW 35.32.21. Multijurisdictional under RCW 36.75.19 (Interlocal Agreement).</td>
<td>Adoption of charter by the “host” jurisdiction by city or county ordinance or resolution. Can be created through an interlocal agreement.</td>
<td>- Flexible. Can include municipalities, tribes, agencies, (including by interlocal agreements), key stakeholders, member governments, public utility districts, and/or general public (non-paying members).</td>
<td>Governing Board with specific determined in charter. Can include municipalities, private sector participants, etc.</td>
<td>Set by charter. Any public purpose geographic.</td>
<td>- Employment opportunities, local real estate ownership. Can respond to project needs at a basin level. Can issue debt. Can control over finances.</td>
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<td>Legal Agreement</td>
<td>Amending written document authorizing signatures, requirements, responsibilities, and payment amounts.</td>
<td>- Independent on specified legal agreement.</td>
<td>- Independent on type of specified legal agreement. Level of independence set by agreement.</td>
<td></td>
<td>Set by agreement. Any public purpose geographic.</td>
<td>- Employment opportunities, local real estate ownership. Can respond to project needs at a basin level. Can issue debt. Can control over finances.</td>
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<tr>
<td>Non-profit</td>
<td>Organization created under IRS Sec. 501(c)(3) to accept and use revenue for public purpose. If formed by public entity, also considered as public entity, but some grey areas.</td>
<td>If an articles of incorporation.</td>
<td>- Flexible.</td>
<td>Board of Directors or members can be flexible.</td>
<td>Subject to restrict “business activities” profit. No eminent domain. Can hire, contract property. luck. Can be vague where or private.</td>
<td>- Employment opportunities, local real estate ownership. Can respond to project needs at a basin level. Can issue debt. Can control over finances.</td>
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<tr>
<td>Joint Municipal Utility Authority</td>
<td>An agreement among existing municipalities or service providers to coordinate on utility provision, as authorized by the Joint Municipal Utility Services Act (39.100 RCW)</td>
<td>Approval of each the member jurisdictions' agreement filed with the Secretary of State. Becomes a new municipal corporation.</td>
<td>Limited to existing utility providers or entities that already have contracts for utilities and tribes.</td>
<td>Board of Directors</td>
<td>Bread powers, limited utility services, broadly defined to include “management of stormwater, surface water, drainage, and floodwater.” Eminent domain if member jurisdictions.</td>
<td>- Employment opportunities, local real estate ownership. Can respond to project needs at a basin level. Can issue debt. Can control over finances.</td>
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Governance Decisions and Timing

Substantive decisions
- Membership
- Scope
- Duration
- Budget
- Long-Term Funding
- Withdrawal
- Property Ownership/Leasing
- Form of Entity/Entities (ILA/Non-Profit)

Decision Timing
- Member Approval Timeline
- Legislation Timeline

Note
- These bullets are highlights
- Numerous other governance topics will need to be addressed
Restored Estuary Governance

- **Manage Sediment**
  - Annual bathymetric surveys in West Bay
  - Recurring maintenance dredging in West Bay

- **Water Quality**
  - New 5th Avenue Bridge that allows tidal flow beneath

- **Improve Ecological Functions**
  - Implementation of Habitat Enhancement Plan to maintain ecological functions
  - Staffing of decontamination stations

- **Enhance Community Use**
  - Security and oversight for restored boating and fishing and other recreation in the waterbody
  - Maintenance of boardwalk adjacent in Middle and South Basins
Deschutes Watershed Council

- Request from Olympia and other stakeholders to consider Deschutes Watershed Council

- The WRIA 13 Committee recommends creating a Deschutes Watershed Council to:
  - Implement the plan [Watershed Restoration and Enhancement Plan]
  - Provide a structure for collaboration on projects
  - Identify, recommend, and implement actions to offset impacts from new water right applications, transfers, and changes, and other water use that impact streamflows
  - Address water quality issues

- Proposed implementing entities include Deschutes Estuary Restoration Team (DERT); Tribes; local governments; other stakeholders
Recap: Funding Allocations

FGWG Guiding Principles

1. Dedicated and secure funding sources
2. Those who contribute to the problem should participate in funding or paying for the solution
3. Those who benefit from the solution should participate in funding or paying for the solution
4. Shared distribution of costs
5. State participation
6. Watershed-wide in scale
7. Manageable governance
8. Commitment to a long-term collaborative process
9. Adequately resourced administration
10. Support the goals and objectives of the long-term management plan and the future of the overall watershed
Individual FGWG Meetings

- Individual meetings scheduled for last week of April and first week of May
  - Make sure the right people are in the room
  - Develop timeline for your internal decision-making on key policy decisions within the legal agreement; and for signature this fall
  - Bring feedback on potential funding strategy
    - Thoughts on potential approach for overall funding strategy
    - Key considerations for/from your organization
    - Must-haves and/or non-negotiables
Next FGWG Meetings

- Please respond to Doodle poll at your earliest convenience
- Next FGWG meeting May 23 (anticipated)
  - Proposed governance model and funding strategy
- Redundancy in FGWG meetings
  - Identify consistent partner for future meetings
  - Coordinate with counterpart between, before and after meetings
Questions?