

Sustainable Funding for Nisqually Watershed Planning

June 30, 2009

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ACKNOWLEDGEMENTS

Numerous stakeholders from within the Nisqually Watershed are to credit for the success of the Nisqually Watershed planning effort. The process began in September 1999 with the signing of a Memorandum of Agreement. The Nisqually Indian Tribe is the lead agency, and therefore serves as the fiscal agent for the planning unit. Many of the stakeholders spent countless hours providing information, reviewing and formulating actions in the plan, and attending meetings to represent their constituents. The Nisqually Watershed Planning Unit consists of the following organizations:

Nisqually Indian Tribe – lead agency

Thurston County

Pierce County

Lewis County

Town of Eatonville

City of Yelm

City of Lacey

City of Olympia

Ashford Water District

Elbe Water District

Graham Hill Mutual Water

Thurston County PUD #1

Nisqually River Council

Tacoma Power

Department of Ecology (representing state agencies)

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I. Introduction and Purpose

In 1998, the Washington State Legislature approved HB 2514 to set a framework for developing local solutions to watershed issues on a watershed basis. The bill resulted in the 1998 Watershed Planning Act (90.82 RCW), which states: “The Legislature finds that the local development of watershed plans for managing water resources and for protecting existing water rights is vital to both state and local interests.” The law is meant to develop a more thorough and cooperative method of determining the status of water resources in each Water Resource Inventory Area (WRIA) of the state, and to provide local citizens the maximum possible input in managing local water resources. The Legislature provided grant funding through the state Department of Ecology to pay for four phases of planning and implementation.

- Phase I helps watershed-planning units organize and determine the scope of their watershed planning efforts.
- Phase II enables the planning units to review existing knowledge of their watersheds, such as stream flows, groundwater sources, fish habitat, water rights, water use, and water quality.
- Phase III supports the planning units as they develop their watershed plans.
- Phase IV provides funding for five years to support implementation efforts. For the first three years, planning units may receive up to \$100,000 per year. At the end of the three-year period, a two-year extension may be available for up to \$50,000 each year.

As this publication goes to press in June 2009, the Nisqually Planning Unit is entering its fourth year of Phase IV, which makes the unit eligible to apply for up to a \$50,000 grant in 2009 and up to another \$50,000 in 2010. Yet time is running out: At the end of Phase IV, the Nisqually Watershed Planning effort will no longer receive grant funding through the Watershed Planning grant program unless the current legislation is changed.

The purpose of this paper is to explore different funding options and possible organizational structures for the Nisqually Watershed Planning Unit to consider as Phase IV comes to a close. Sustainable funding is needed to pursue recommended actions and projects, and to pay for the necessary administrative work involved in implementing the plan.

II. BACKGROUND AND ACCOMPLISHMENTS

II A. History of Watershed Planning in Washington

In 1998, the Washington State Legislature approved HB 2514 to set a framework for developing local solutions to watershed issues on a watershed basis. The bill resulted in the 1998 Watershed Planning Act (90.82.RCW), which states: “The Legislature finds that the local development of watershed plans for managing water resources and for protecting existing water rights is vital to both state and local interests.”

The Legislature wanted a “bottom-up” approach to watershed planning, where local planning units would provide state agencies specific guidance for managing water resources and protecting water rights, provided the guidance was consistent with state law.

The Legislature found that state and local interests alike benefit from locally developed watershed plans. Local interests, which have the greatest stake in protecting their watersheds, benefit by having direct involvement with the watershed-management process; the entire state benefits when water resources are used wisely in order to protect existing water rights, preserve instream flows for fish, and provide for economic well-being of citizens and communities.

II B. Lead Agency and Memorandum of Agreement

In 1998, the legislative authorities of Thurston, Pierce and Lewis counties agreed to a request by the Nisqually Indian Tribe to provide a letter of concurrence so the Tribe could apply for a watershed-planning grant as the lead agency. The Washington Department of Ecology approved the grant request.

The initiating governments and other stakeholders first met in February 1999, and continued to meet regularly with the primary purpose of developing a Memorandum of Agreement. In September 1999, the initiating governments began the process of approving the Memorandum of Agreement through their respective legislative authorities. By February 2000, the agreement had won full approval, launching the formal planning process.

The Nisqually Planning Unit established the following mission: *“to maximize the ability of the Nisqually Watershed to produce high quality groundwater and surface water, while protecting and managing the related resources to support environmental, social, economic, and cultural values.”*

The following list describes reports that were developed and approved from 1999 through 2007.

II C. Level 1 Technical Assessment – Upper and Lower Nisqually River Watersheds

The watershed planning process begins with a Level 1 assessment of the watershed using existing information. Planning units identify gaps in data and identify the information they need to better understand water-supply demands, instream flows, and water quality issues within the watersheds.

Upper Nisqually Watershed: The Upper Nisqually Level 1 Technical Assessment involved collecting and analyzing existing information and data on the hydrologic conditions of the upper Nisqually Watershed. The upper Nisqually Watershed comprises a surface drainage area of 286 square miles, from the river's headwaters in the Mt. Rainier National Park to the Alder Dam in Pierce County. The technical assessment:

- Estimates surface and groundwater conditions;
- Estimates water rights in the watershed;
- Estimates actual water use;
- Estimates future water demand;
- Identifies aquifers; and
- Estimates water available for future appropriation.

Lower Nisqually River Watershed: The lower Nisqually Watershed comprises a drainage area of 472 square miles from the Alder Dam to the Nisqually Estuary in the Puget Sound. The Lower Nisqually Level 1 Technical Assessment is organized by subbasin and includes stream flows, groundwater sources, fish habitat, water rights and water use, water quality, and basin-specific recommendations. The assessment also includes general information of the lower watershed as a whole.

II D. Level 1 Storage Assessment

The Nisqually Watershed Planning Unit took advantage of supplemental grants to study the issue of water storage – specifically, to determine the feasibility of storing water during periods of excess capacity and using it later during periods of limited capacity. This Level 1 Storage Assessment considered the type of storage projects that would be useful in the lower Nisqually Watershed, given the current and future water supply and demand. (A Level 2 assessment is still needed for a detailed study of options.) The Level 1 storage assessment includes:

- A general overview of potential surface water and groundwater storage options;
- A range of storage alternatives, including off-channel storage, on-channel storage, and enlargement or enhancement of existing storage;
- An inventory of existing storage facilities, available infrastructures, and storage volumes;
- A discussion of issues associated with developing storage, including potential environmental effects;
- An overview of potential storage projects in the lower Nisqually Watershed; and
- A Level 2 storage assessment scope of work.

II E. Step A - Instream Flow Assessment – Mashel River

The Nisqually Watershed Planning Unit used supplemental watershed grant funding specific to instream flows. The group decided to address instream flows in the Mashel subbasin only. The “Step A - Instream Flow Assessment – Mashel River” presents:

- Streamflow exceedance curves;
- Estimates of allocated water and actual water use;
- A summary of habitat conditions;
- A summary of potential instream flow assessment methods with recommendations for implementation;
- A scope of work with costs for both an instream flow study and an assessment of hydraulic continuity for the Mashel subbasin.

II F. Water Quality Monitoring Plan

The Nisqually Watershed Planning Unit took advantage of supplemental watershed grant funding specific to water quality. The Water Quality Monitoring Plan is an assessment of water quality in the lower Nisqually Watershed. The intent of the plan is to facilitate long-term water quality monitoring and to provide a foundation for coordinated data collection throughout the lower Nisqually Watershed. The plan includes:

- Water quality program information and data;
- Water quality goals and objectives from previous reports;
- A description of existing programs;
- Water quality monitoring recommendations; and
- Data management recommendations.

II G. Nisqually Watershed Management Plan

The Nisqually Watershed Planning Unit spent four years creating the Nisqually Watershed Management Plan. The plan became the first to be adopted in Washington State when it won approval by the councils and commissions of Pierce, Thurston and Lewis counties in April 2004.

Consistent with its mission (see section II B), the planning unit sought to develop a comprehensive strategy for balancing competing demands for water, while at the same time preserving and enhancing the future integrity of the watershed.

The plan's recommendations focus on key challenges in the watershed. These challenges are organized under five themes:

- Growth and land use;
- Groundwater resources and supply;
- Water rights;
- Instream flow and surface/groundwater continuity; and
- Water quality.

The plan addresses these issues at both the watershed-wide scale and subbasin scale. The watershed scale recommends policy statements, management strategies, and projects to address the five themes affecting the Nisqually Watershed as a whole. The subbasin plans -- developed for the Yelm/McAllister and Marshal/Ohop subbasins -- address the need for cities or towns to obtain adequate water supply to support growth while preserving instream flows.

II H. Phase IV Nisqually Implementation Plan

The Nisqually Watershed Implementation Plan contains details on implementing the actions recommended in the Watershed Management Plan. Several issues influence whether the actions are actually implemented, including: availability of funding, staff resources, technical capability, priorities of the entities involved, and the priorities of the implementation plan. The purpose of the Nisqually River Watershed Implementation Plan is to guide implementation of the policy statements, management strategies, and projects organized by key issue categories including:

- Growth and land use;
- Groundwater resources and supply;
- Water rights;
- Instream flow and surface/groundwater continuity; and
- Water quality.

III. IMPLEMENTATION AND FUNDING OPTIONS

III A. Overview of Special Purpose Districts

Forming special purpose districts, based on watershed boundaries, is a possible solution to provide consistent and sustainable funding to implement watershed plans. This approach may provide an opportunity for Nisqually Watershed planning efforts to continue after Phase IV grant funding ceases. Existing special purpose districts in the watershed may also contribute water-related revenues through an interlocal agreement (RCW 39.34.190). For more information about interlocal agreements, see section III D.

The purpose of this section is to provide an overview of special purpose districts in Washington. The phrases “special district” and “special purpose district” are interchangeable, and commonly refer to limited purpose special districts, certain taxing districts, benefit assessment districts, special benefit districts, and some types of authorities. In the statutes, the terms generally apply to any local government entity that is not a city, town, township, or county.

Special purpose districts are limited purpose local governments that are separate from a city, town, or county government. Generally, they perform a single function, though some perform a limited number of functions. They provide an array of services and facilities including electricity, fire protection, flood control, health, housing, irrigation, parks and recreation, library, water-sewer service, and more recently, public transportation, stadiums, convention centers, and entertainment facilities. Special districts provide a means for citizens to obtain these services for a specific geographic area when the services are not otherwise available from a city or county.

Most special purpose districts exist in the unincorporated areas of counties. Many district statutes allow the inclusion of cities and towns by the passage of a resolution of their councils. A few districts have specific statutes to cover formation and operation in more than one county, while others provide for interlocal cooperation agreements (Chapter 39.34 RCW).

Special purpose districts may be created by the county legislative authority or by a vote of those property owners within the district boundaries, to meet a specific need of the local community. The need may be a new service, or a higher level of an existing service. Districts are political subdivisions of the state and come into existence, acquire legal rights and duties, and are dissolved in accordance with statutory procedures. Enabling legislation sets forth the purpose of the district, procedures for formation, powers, functions and duties, composition of the governing body, methods of finance, and other provisions. The districts are usually quasi-municipal corporations, though some are municipal corporations.

There are advantages to creating special purpose districts. Districts can provide needed services and are generally very responsive to constituents’ needs. Moreover, the cost-to-benefit relationship is typically strong.

There are also disadvantages to creating special purpose districts. Districts are criticized for creating too many governmental units; having less accountability because of low participation in district governance; and being “less visible” to the citizens within district boundaries. Inefficiencies may also arise when two service providers offer similar services without coordinating their efforts.

The following types of special purpose districts could be formed to help implement the Nisqually Watershed Plan: flood control and drainage districts, a watershed-wide shellfish protection district, and an aquifer protection district.

Existing districts in the Nisqually Watershed may also have important links to the watershed planning effort. Examples include the Thurston Public Utility District, and the Pierce and Thurston stormwater utilities.

Interlocal agreements between jurisdictions may also be a viable option.

Each of these options must be explored to determine whether one, or a combination, will meet the needs of the Nisqually Watershed planning effort.

III B. Potential Special Purpose Districts for Watershed Planning

The following special purpose districts may be formed, based on watershed boundaries, to implement the Nisqually Watershed Management Plan.

III B 1. Flood Control and Drainage Districts (Chapters 86.09 RCW / 85.38 RCW)

Flood control and drainage districts are formed to protect life and property, preserve public health, and conserve or enhance natural resources. The purpose applies to all of the stream systems within the district. The district may include any part of a county, or may combine two or more counties in which the lands benefit from the district activities. The district may also include state and federal lands.

Flood control and drainage districts have adequate legal authority to carry out their purpose. For example, the districts can acquire, purchase, hold, lease, manage, and sell real property. They can also enter into and perform any necessary contracts, hire employees, sue and be sued, and exercise the right of eminent domain. The districts may also collect special assessments levied on lands within the district.

Flood control and drainage districts are created by a simple majority vote of property owners within the boundaries. Property owners must be informed of the levy amount and proposed projects before the election takes place so that they can determine the benefits to their individual properties.

III B 2. Shellfish Protection Districts (Clean Water Districts) (Chapter 90.72 RCW)

County legislative authorities may create shellfish districts, also called “clean water districts,” to protect shellfish tidelands. Counties have the statutory right to create shellfish protection districts without a vote of the people, but counties may also choose to hold elections and/or create local advisory committees for advice on preparing and implementing shellfish protection programs. The districts focus their efforts on nonpoint pollution that threatens water quality. For example, district programs might address contamination in stormwater runoff; establish requirements for monitoring, inspecting and repairing on-site sewer systems; and assure that best management practices are used for animal grazing and manure management.

Shellfish protection district boundaries must encompass the protected tidelands, as well as properties contributing pollution that affects the water-quality needed for shellfish farming and harvesting on those tidelands.

The district boundaries may include incorporated and unincorporated areas, and span more than one county. Under Chapter 90.72, “The legislative authority of more than one county may by agreement provide for the creation of a district including areas within each of those counties.”

Counties are required to form Shellfish Protection Districts when the Washington Department of Health has closed or downgraded recreational or commercial shellfish growing areas. Thurston County, for example, was required to form the Nisqually Reach Shellfish Protection District when the Department of Health closed or downgraded shellfish harvesting operations on Nisqually Reach. This shellfish protection district is in the Nisqually Watershed.

A county legislative authority may finance the protection program through (1) county tax revenues, (2) reasonable fees for services, (3) reasonable charges or rates specified in its protection program, and (4) federal, state, or private grants.

III B 3. Aquifer Protection Districts (Chapter 36.36 RCW)

County legislative authorities may create one or more aquifer protection areas with the approval of voters within district boundaries. Aquifer protection areas are formed in order to protect, preserve and rehabilitate groundwater. Pollution, degradation and depletion of groundwater supplies pose immediate threats to public safety and welfare.

An aquifer protection district may levy fees for the withdrawal of groundwater or use of on-site sewage disposal. At the time of the election, the voters must know the maximum fee, how the fees will be used, and the how many years the fees will be collected. Fee increases require approval of the voters; fee decreases require the county to change its fee ordinance.

The district cannot include portions of another county nor a city or town without the approval of their respective governing bodies.

Special Purpose Districts			
	Flood and Drainage Districts	Shellfish Protection District	Aquifer Protection District
Process for creating the district	Voters approve of the district during an election process.	A county legislative authority may create a shellfish district with or without the approval of cities. No public vote is required.	A county legislative authority may create an aquifer protection district upon approval by voters. The county must get permission from cities within the proposed district.
Voter approval of fees	Assessments or rates and charges are identified during the district's creation but voters do not approve them in subsequent years.	May assess fees without voter approval.	Voters approve the maximum fee to be charged.
Do they fund implementing watershed plans?	YES - under the Interlocal Cooperation Act	YES - under the Interlocal Cooperation Act	YES - under the Interlocal Cooperation Act

Table 1 – Summary of Special Purpose Districts

III C. Existing Special Purpose Districts Related to Watershed Planning

The following special purpose districts already exist within the Nisqually Watershed boundary and may contribute water-related revenues on watershed-management activities through an interlocal agreement (RCW 39.34.190). For more information about interlocal agreements, see section III D.

III C 1. Stormwater Utilities (Chapter 36.89 RCW)

Counties and cities are authorized to create stormwater utilities without a public vote. Both Pierce and Thurston counties have established stormwater utilities under the authority of Chapter 36.89 RCW. Each utility has established a fee structure and six-year capital expenditure plan unique to the jurisdiction. Chapter 36.89 RCW provides broad authority for how revenues are spent including, but not limited to, “stormwater control facilities.” In this context, stormwater control facility means any facility, improvement, development, or property constructed or acquired for the purpose of controlling stormwater runoff in the county, or for protecting the lives and properties of county residents from excess stormwater runoff.

Stormwater utilities may also participate in, and spend revenue on, cooperative watershed management actions in order to maintain a system of stormwater control facilities. These actions include watershed management partnerships under RCW 39.34.210 and other intergovernmental agreements aimed at protecting and managing water supply, water quality, water resources and habitat.

III C 2. Public Utility Districts (Title 54 RCW)

The Thurston Public Utility District (PUD) is the only public utility district within the Nisqually watershed boundary. It has been in existence since 1936 when it was created by a vote of the people. The district’s primary responsibility is to own and operate water systems. It also provides water planning and utility services to the citizens of Thurston County. Three elected commissioners serve on the PUD Board of Commissioners for six-year terms and oversee the PUD’s work.

In addition to the authority provided in RCW 54.16.030 relating to water supply, a public utility district may participate in and expend revenue for cooperative watershed management actions aimed at water supply, water quality, and the protection and management of water resources and habitat. Examples of partnerships include watershed management partnerships under RCW 39.34.210 and other intergovernmental agreements.

III D. Interlocal Agreements (Chapter 39.34 RCW)

The Interlocal Cooperation Act provides broad authorization for public agencies to contract with each other, provided all of the contracting agencies have legal authority to offer the contracted service individually. Public agencies may include municipal corporations, special purpose districts, any agency of the state, any agency of the United States, and any federally recognize Indian Tribe.

Under RCW 39.34.200, public agencies may enter into agreements with one another to form a watershed management partnership in order to implement all, or part, of a watershed management plan. The partners must file their agreement with the county auditor in each county located within the watershed area, and designate a city or county treasurer from a participating jurisdiction to serve as treasurer of the partnership.

An advantage of interlocal agreements is the ability for several local governments to work together to develop and implement watershed plans. Since watersheds usually do not follow jurisdictional boundaries, the agreement may pertain only to the applicable watershed within a portion of a county.

For an interlocal cooperation agreement to take effect, the governing bodies of the participating agencies must authorize the agreement by ordinance or resolution. The agreement must be filed with the county auditor prior to taking effect.

An example of an existing organization that is somewhat related to watershed planning and formed under the Interlocal Agreement Act is the Hood Canal Coordinating Council. The Hood Canal Coordinating Council (HCCC) is a watershed-based council of governments formed in 1985. The governments include Jefferson, Kitsap and Mason counties; the Port Gamble S’Kallam Tribe; the Skokomish Tribe; and state and federal agencies. The council was established in response to community concerns about water quality problems and related natural resource issues in the watershed. The early financing of the HCCC consisted of financial contributions made by each of the governmental members. Currently, the council relies almost entirely on grants with little financial support from its members. Being mostly grant-driven limits the organization’s flexibility in implementing its Hood Canal Watershed Strategic Plan.

III E. Interlocal Agreements – Use of Water-Related Revenues

The Interlocal Cooperation Act (RCW 39.34.190) allows counties, cities and special purpose districts to spend up to ten percent of each jurisdiction’s water-related revenues on watershed-management activities through an interlocal agreement. The following types of districts are found in the Nisqually Watershed:

- Water, sewer, and water-sewer districts organized under Title 57 RCW.
- Public utility districts organized under Title 54 RCW. (The 10 percent limit does not apply to public utility districts.)
- Shellfish protection districts organized under chapter 90.72 RCW.

III F. Sources of Funding

Grants provide an important source of revenue for organizations that implement watershed plans; however, the grants usually require matching funds. Certain grants may be used by governments only, while others are targeted to nonprofit organizations.

The **EPA Finance Center** located at Boise State University is an important source of information on available grants. The center maintains a database of financial resources that can be used for a wide variety of activities including watershed planning. The database includes grant programs that are available to tribes, local governments, nonprofit organizations and other groups. For more information, visit <http://www.epa.gov/owow/funding.html>.

The **Washington State Department of Ecology** administers three water-quality funding sources: the Centennial Clean Water Grant Program; the federal Clean Water Act Section 319 Nonpoint-Source Grant Program; and the Washington State Water Pollution Control Revolving Fund Loan Program. Each source could be used to implement the Nisqually Watershed Management Plan, but would require a government sponsor and matching funds.

The **Puget Sound Partnership** is developing possible revenue sources for watershed planning groups and others. The partnership is considering an “Alternative Mitigation for Puget Sound Program” that would be an in-lieu-fee program used for mitigating impacts to Puget Sound. Under the program, public and private applicants for environmental permits would have the option to pay into a restoration fund instead of building a separate mitigation project or taking some other type of individual, site-specific action to mitigate the environmental impacts caused by their developments. Payments would be based on the extent and severity of the environmental impacts. The in-lieu-fee fund would then be used to implement high-priority enhancement and restoration projects with high levels of environmental improvement within the watershed where the impacts occur.

The current draft proposal would include a newly created nonprofit organization called “**Foundation for Puget Sound**” to calculate fees, receive payments, contract for restoration projects, and ensure long-term site management.

The Puget Sound Partnership is also considering forming a **Puget Sound Improvement District** as a way to raise funds. At the time of this writing, it is too early to provide more details other than this may be a future funding source for implementing watershed plans.

The Legislature and Governor must approve any proposal by the Puget Sound Partnership before the proposal can take effect.

Private foundations are also a source of funding for nonprofit organizations. The **Nisqually River Foundation** is an example of a private foundation located in the Nisqually Watershed. Private foundations can apply for and receive grants unavailable to governmental entities. An extensive list of private foundations that offer grants is available at <http://www.epa.gov/owow/funding.html>.

IV. Organizational Recommendations for the Nisqually Watershed

IV A. Planning Organizations in the Nisqually Watershed

The Nisqually Watershed has four different organizations that pertain to some aspect of watershed planning. They are:

- Nisqually River Council.
- Nisqually River Foundation.
- Nisqually Watershed Planning Unit.
- McAllister / Yelm Stewardship Coalition.

Organizing these independent groups into an efficient coalition will enable the organizations to seek and share funding in a creative and effective manner, while supporting the future sustainability of each organization. The Nisqually River Foundation is a nonprofit organization, which is a legal corporation that has contracting authority. In contrast, the other three groups require a sponsoring government to act as a fiscal agent.

Nisqually River Council

The Washington State Department of Ecology created the Nisqually River Council in 1987 to oversee implementation of the Nisqually River Management Plan, which was developed by the Nisqually River Task Force. The state Legislature had approved the plan earlier that year, and had charged the Department of Ecology with implementing the task force recommendations.

The Nisqually River Council launched an effort to update the plan in 2003, and the resulting “Nisqually Watershed Stewardship Plan” was adopted in 2006. The Stewardship Plan provides a roadmap for the Nisqually River Council for the next 15 years.

Nisqually River Foundation

The Nisqually River Foundation was formed in February 2004 to provide staffing, funding and project-management support for the Nisqually River Council (described above). Originally, funding and staffing for the council came from the Department of Ecology under the direction of the Washington State Legislature; however, the department was later unable to continue its support. The Nisqually Indian Tribe stepped in to provide some funding to resume staff support for the council. A portion of the money was also dedicated to exploring the best long-term funding option for the council and its projects. The council determined that a nonprofit corporation would provide the most flexibility in seeking new funding.

Currently, the Nisqually River Foundation manages more than \$1 million worth of grants for projects and staffing the Nisqually River Council. The Legislature has also provided funding through a proviso in the Department of Ecology's budget. Major projects in the watershed include:

- The Nisqually River Education Project, which sponsors students to perform water quality testing, habitat restoration projects, and salmon carcass tossing.
- The Nisqually Sustainable Project, which encourages local businesses to adopt sustainable practices, including low-impact development and rain gardens.
- A water conservation project to help class A public water systems reduce consumption.
- An ecosystem services evaluation of the Nisqually Watershed.

The Nisqually River Foundation will continue to seek funding for new projects based on the priorities of the Nisqually River Council as it works to implement the Nisqually Watershed Stewardship Plan.

Nisqually Planning Unit

A Memorandum of Agreement created the Nisqually Planning Unit in 1999. The Nisqually Planning Unit operates independently of the Nisqually River Council and the Nisqually River Foundation; however, the planning unit's work is reported to the council. For more information, see "Background and Accomplishments" earlier in this report.

The McAllister / Yelm Stewardship Coalition

As this publication goes to press in July 2009, the McAllister/Yelm Stewardship Coalition has not been formed; however, it is intended to be a partnership of the Nisqually Indian Tribe, the cities of Olympia, Lacey and Yelm, and the Thurston PUD. Each partner is a significant user and steward of groundwater in the McAllister and Yelm subbasins of the Nisqually watershed. The purpose of the coalition is to help ensure collaborative, sustainable management of water resources consistent with the McAllister and Yelm sub-basin plans in the Nisqually Watershed Management Plan (see section II G). The goal is to meet the water demands of these growing communities, while balancing the other environmental, social, economic and cultural needs for water in the subbasins.

IV B. Potential for Collaboration

The four organizations in the Nisqually Watershed are faced with a decision on how best to sustain themselves financially in the future. Currently, the Nisqually River Council receives revenue from grants and a by a legislative proviso in the Department of Ecology's budget. The Watershed Planning Unit is an independent group that is financed by grants from Ecology's watershed planning grant program. The McAllister / Yelm Stewardship Coalition has not yet been formed but will most likely be financially supported by the five member jurisdictions.

There is potential for financial collaboration that can benefit all of the organizations. Figure 1 on page 17 shows three different possible organizational models. The dashed lines are lines of communication while the solid lines show financial support.

V. Conclusion

The economic and environmental health of the Nisqually Watershed depends on proper management and stewardship of its water resources and wildlife habitat. Since 1999, the Nisqually Watershed Planning Unit has worked diligently to devise strategies for managing water in the Nisqually Watershed.

Thanks to the planning unit, local and state agencies now have much greater insight into water demands, instream flows, and water quality issues within the watershed. Perhaps most importantly, the planning unit's "Nisqually Watershed Management Plan" has won support of local jurisdictions participating in the effort. The plan is a living document and can be expanded and amended as time and water-resource issues become more apparent.

Although the Nisqually Watershed planning effort has been successful, sustainable funding is required to continue implementing the plan. This paper assumes that the Washington State Legislature may reduce or eliminate financial support in the future. In response, the planning unit may decide to encourage the formation of new special purpose districts, such as flood control and drainage districts, a watershed-wide shellfish protection district, or an aquifer protection district.

Existing districts in the Nisqually Watershed may also have important links to the watershed planning effort. Examples include the Thurston Public Utility District, and the Pierce and Thurston stormwater utilities.

Interlocal agreements between jurisdictions may also be a viable option.

Grants may be available from a variety of sources, including the Department of Ecology, the Puget Sound Partnership, and private foundations. The EPA Finance Center at Boise State University is an important clearinghouse of information on grants. Information is available on www.epa.gov/owow/funding.html.

The Nisqually Planning Unit may also consider reorganizing and joining forces with other organizations in order to successfully seek and share funding in a creative and effective manner. The most viable option may be to strengthen the relationships between the Nisqually Planning Unit, the Nisqually River Council, the Nisqually River Foundation (which provides funding for the Nisqually River Council), and the upcoming “McAllister/Yelm Stewardship Coalition.”

Like the Nisqually Planning Unit, the Nisqually River Council has a plan for protecting the Nisqually Watershed and is already implementing the plan. The council’s “Nisqually Watershed Stewardship Plan” provides a roadmap for the next 15 years of watershed stewardship and a vision for the next 50 years. Its purpose is to protect the health of the people, businesses, economy, tourism, wildlife habitat, and water sources in the Nisqually watershed.

Together, the Nisqually Watershed Management Plan and the Nisqually Watershed Stewardship Plan provide strategies needed to manage the Nisqually Watershed now and in the future. Moreover, both organizations – the Nisqually Watershed Planning Unit and the Nisqually River Council – need sustainable funding in order to implement actions and projects for the watershed. The upcoming McAllister/Yelm Stewardship Coalition may also be considered in a reorganization plan. The coalition will work on strategies to manage water issues within these fast-growing subbasins.

The beautiful, pristine Nisqually Watershed is already reaping the benefits of decades of work by the Nisqually Planning Unit, the Nisqually River Council, and other organizations. By securing sustainable funding and building a strong coalition with other interests, the Nisqually Planning Unit can keep this important work flowing.

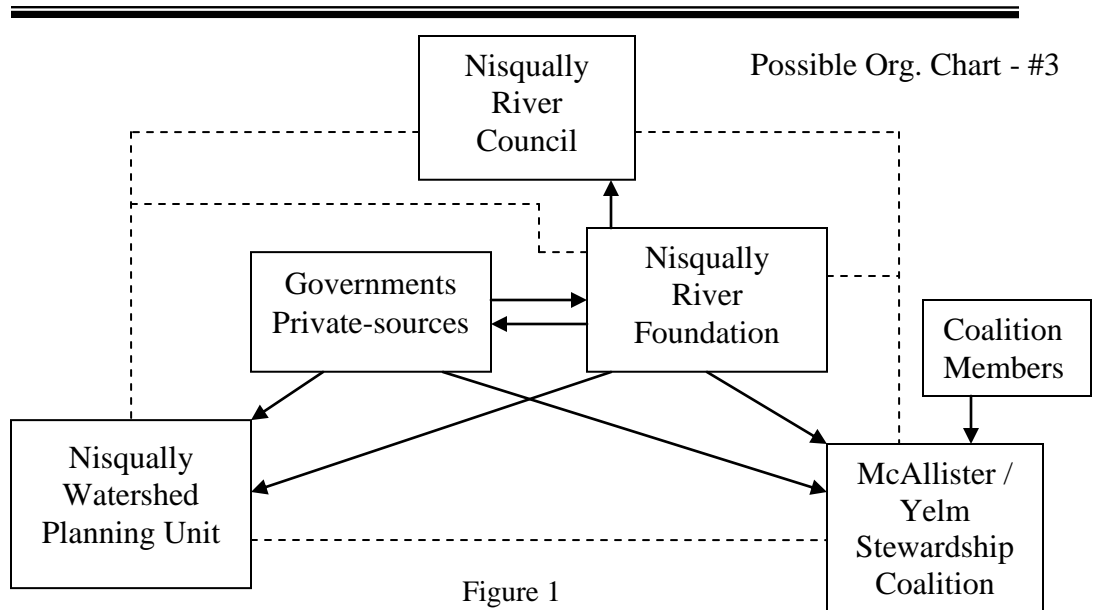
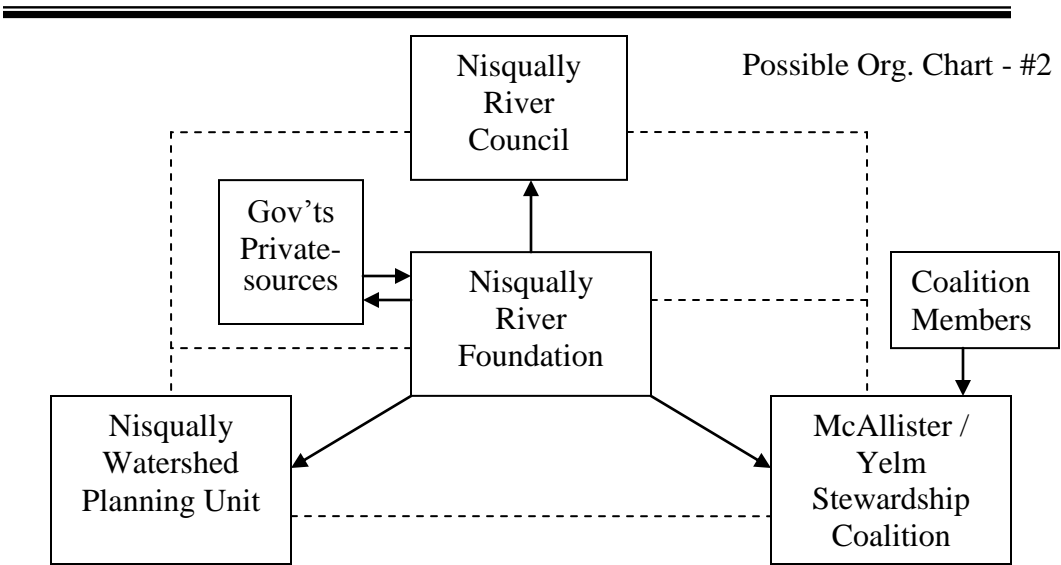
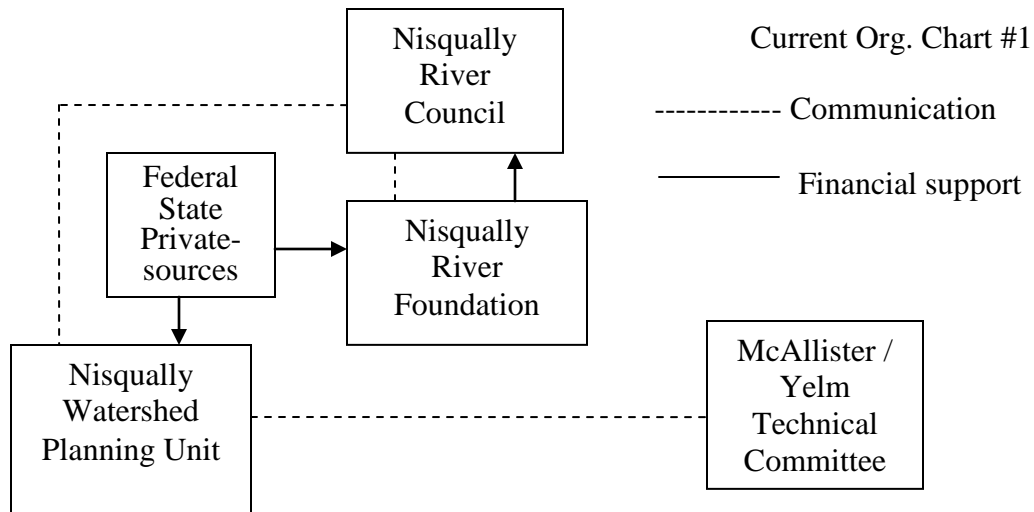


Figure 1