

Department of Natural Resources and Parks Director's Office King Street Center 201 South Jackson Street, Suite 700 Seattle, WA 98104-3855

October 28, 2018

Mary Verner, Program Manager Water Resources Department of Ecology P.O. Box 47600 Olympia, WA 98504-7600

Re: King County Comments on Streamflow Restoration Grants Interim Funding Guidelines (Publication 18-11-010)

Dear Ms. Verner,

Thank you for the opportunity to comment on the Washington State Department of Ecology's *Streamflow Restoration Grants Interim Funding Guidelines*. King County has a long-standing commitment to regional water quality, land conservation and salmon recovery; efforts that are being accelerated through the Executive's Clean Water; Healthy Habitat Agenda.

Consistent with the stated intent of ESSB 6091, we are excited for the potential of Ecology's new stream flow funding program to "support the recovery of threatened and endangered salmon" and contribute to watershed restoration. We believe it is imperative to coordinate this new capacity with those ongoing efforts that also advance orca and Puget Sound recovery. We offer the following overarching policy objectives for your consideration:

Ensure "higher priority" project categories recognize all project types that create stream flow benefits. While we generally agree with Ecology's proposed prioritization scheme, we are concerned that Ecology's definition of "non-water projects – lower priority" may unintentionally disadvantage projects beneficial to stream flow. For example, King County regularly acquires rural residential properties for purposes of conservation and habitat process restoration. Often those properties include homes that are demolished. King County also regularly purchases

Streamflow Guidelines, King County October 28, 2018 Page 2

development rights from properties in rural areas and will be accelerating that effort in the near term. We are concerned that by providing credit for retiring only "valid water rights" Ecology will miss opportunities to reduce long term demand and improve stream flows.

To illustrate: From 2013 to 2018, King County acquired 219 properties, of which 107 had one or multiple homes, many of which were on wells in or adjacent to floodplains. Some acquisitions set the stage for floodplain reconnection projects, which enable surface water to reach the floodplain and promote groundwater recharge. Specifically, in the case of the Riverbend Restoration Project, water rights were retired from use for over 100 mobile homes.

We would ask that Ecology develop a transparent and accountable system to determine water savings and stream flow benefits from retiring all types of water use. It is understood that documented water rights have the greatest certainty, but retiring permit-exempt and other non-certificated water use is real water that can manifest in streamflow benefits. Ecology should develop a ledger system to document and maintain such water credits. Such a methodology can then be factored into the funding scoring guidelines.

Many restoration projects also include wetland restoration with commensurate recharge benefits. Funding criteria could allow bonus points to be assigned to non-water projects that can demonstrate through conceptual or model-based flow benefits to be pushed up in prioritization. In sum, we recommend that Ecology recognize as high priority the full suite of projects that can demonstrate stream flow benefits.

Reward Efforts to Achieve Intent of Growth Management Act. King County has worked diligently to preserve urban growth boundaries to comply and achieve the intent of state and regional growth management policies. An overarching concern with the proposed program is that prioritizing project funding to offset future development and water use in unincorporated areas could undermine state and regional growth management policies (RCW 36.70A and allocation of population targets through agencies such as the Puget Sound Regional Council). We request that Ecology adopt protocols to ensure that project funding does not incentivize rural growth in contravention of GMA intent.

Move beyond mitigation to emphasize restoration. ESSB 6091 requires that watershed restoration and enhancement plans include actions that are necessary to offset potential impacts to instream flows associated with permit-exempt domestic water use. King County recommends that the funding guidelines move beyond mitigating future impacts to more assertively reinforce policies, plans and projects that focus growth in urban areas while promoting broader watershed restoration.

In the case of King County, current build out projections are anticipated to result in relatively small demand for additional permit-exempt domestic water supply. In addition, the County's

Streamflow Guidelines, King County October 28, 2018 Page 3

Land Conservation Initiative is removing development rights from the rural landscape to preserve that landscape in perpetuity. As a result, King County has the potential to reduce the need for rural domestic water use in the years ahead. We recommend that consideration be given to criteria that reward actions that will reverse decline rather than simply offset anticipated future uses.

Align Funding Program with Orca and Salmon Recovery. The first Goal of the Governor's Orca Task Force Draft Recommendations (October 24, 2018) is to "Increase Chinook abundance Habitat restoration and acquisition: Enhance Chinook abundance by restoring and acquiring salmon habitat and food sources." Additionally, the first recommendation under goal 1 is to: "Significantly increase investment in restoration and acquisition of habitat in areas where Chinook stocks most benefit Southern Resident orcas." We recommend that Ecology prioritize habitat projects that protect or increase streamflows and that are in alignment with longstanding WRIA planning processes for salmon recovery. The WRIA processes in King County have broad support of cities, tribes, county and private sector. We request that Ecology create synergies and efficiencies by focusing stream flow restoration efforts with the WRIAs and give strong consideration to WRIA priorities.

Designate a Portion of the Funding to Strengthen Scientific Underpinnings of Project Funding. Ecology has stated that studies will not be funded with 2018/2019 funding. We would ask Ecology to consider the need for the development of three dimensional groundwater models in priority watersheds to allow more robust analysis of stream-groundwater interactions. Ecology might choose to take on this effort to provide a standard of consistency across the watersheds. Such modeling, combined with groundwater monitoring, could help determine where groundwater levels are substantially depressed by pumping, and run scenarios for how best to turn 'losing' reaches of rivers (where surface flows seep out of the channel, exacerbating low instream flows) into 'gaining' reaches in which groundwater is supplementing instream discharge. This may point to a need to jointly manage flow regulation, water withdrawals, groundwater pumping, and other restoration actions (non-water projects) and could be of significant help in defining and meeting the intent of "in-place."

Consider Distinctions Between Urban and Rural Watersheds in Allocations. We request that Ecology take into account the unique characteristics of each watershed. Counties with highly urbanized watersheds have different challenges and opportunities than less developed watersheds. A component of the evaluation process outlined in the funding guidelines is an assessment of costs and benefits. For a statewide grant program, we would ask that Ecology not apply a blanket cost/benefit criterion that doesn't take into account the higher costs of implementation in urban watersheds.

Streamflow Guidelines, King County October 28, 2018 Page 4

Incentivize Proven Strategies for Preserving or Increasing Instream Flows. We ask Ecology to consider incentivizing a variety of options that can preserve or increase instream flows. Such options could include collaborations on beaver dam analogue structures, managed aquifer recharge, reclaimed water introduction, upland forest retention and others.

Eliminate the Requirement to Document how a Project will acquire and Maintain All the Necessary Permits. Few projects will have all permits in hand before the full project funding is secured.

Baseline Improvements against Expected Condition if Project is Not Completed. We recommend that Ecology baseline permanent improvements against the expected condition if the project was not completed, not the pre-project condition. In particular we recommend that Ecology take into account the non-stationarity resulting from climate change and future land use and as a result the necessity of increased focus on resiliency as the intended outcome of investments. This is all the more important as flow regimes adjust in the climate change scenarios projected that appear to be on the near term horizon.

Thank you again for the opportunity to comment on the <u>Streamflow Restoration Grants Interim Funding Guidelines</u>. It is our hope that through the work of the streamflow restoration committees and the state's new investments, we will create a measurable step toward improved streamflows that contribute to more resilient watersheds, improving the recovery of Chinook salmon and orca.

Sincerely,

Christie True Director, Department of Natural Resources and Parks King County