WRIA 11 (Nisqually Watershed) Annual Report June 1, 2023 through May 31, 2024 Streamflow Restoration Act

Washington State Department of Ecology (Ecology) adopted the Nisqually Watershed Management Plan Addendum on February 1, 2019. As part of the adoption order, the Nisqually Planning Unit is required to submit an annual report that outlines the status of implementation actions.

I. Plan implementation actions to date

Since the adoption of the Plan Addendum, the Nisqually Planning Unit has continued to meet to coordinate submission of streamflow restoration grants, work with a technical consultant to develop detail around conceptual offset and habitat restoration projects, address funding needs (including the development of a long-term funding strategy), and track the number of new permit exempt wells in the watershed. These activities have been funded through carryover from Ecology's planning grant, in-kind allocation of staff from Planning Unit member entities and administrative funding allocated by the Nisqually Indian Tribe.

The Planning Unit is continuing to work on a draft Interlocal Agreement to provide longer term funding for operation of the Planning Unit and implementation of actions and projects in the Watershed Management Plan and the Addendum to the plan prepared in response to the Streamflow Restoration Act.

2020 Streamflow Restoration Grant Applications:

Eight streamflow restoration grant applications were submitted to Ecology from within WRIA 11 for the 2020 funding cycle. The grant applications are listed below:

Nisqually Land Trust

- WRSRP-2020-NiLaTr-00019 Prairie Tributaries Water Rights Phase 2

 There was another staff transition at Washington Water Trust this winter. Gabi Dunn is the new project manager for WWT and she will be distributing water conservation outreach materials to water rights holders in June. This project is scheduled to wrap up in July.
- WRSRP-2020-NiLaTr-00028 Lower Ohop Protection
 Discussions with landowners and pre-acquisition due diligence activities are ongoing for
 two properties in the Middle Ohop Valley. The Nisqually Land Trust has requested and
 received an extension through July 2025 for this project to allow these pre-acquisition
 activities to continue during the duration of the 2022 Middle Ohop Protection project.

Nisqually Community Forest

 WRSRP-2020-NiCoFo-00131 - Nisqually Watershed Mashel River and Tributaries Protection

This project did not get funded. However, if funds become available, this project will still be viable as the acquisitions targeted in grant applications can still be pursued.

• WRSRP-2020-NiCoFo-00130 - Nisqually Watershed Powell Creek Protection
This project did not get funded. However, if funds become available, this project will still be viable as the acquisitions targeted in grant applications can still be pursued.

Nisqually River Foundation

• WRSRP-2020-NiRiFo-00125 - Muck Creek Watershed Restoration Strategy and Project Prioritization

The Nisqually River Foundation has completed this project with the assistance of the South Puget Sound Salmon Enhancement Group and our contractors Anchor QEA and Coho Water Resources. The report from the project will be used to prioritize acquisition and restoration targets and actions throughout the Muck Creek basin.

• WRSRP-2020-NiRiFo-00007 - Project Development & Implementation of WRIA 11 Streamflow Restoration Plan

This project did not get funded. We are still seeking funding to support the continued activities of the Nisqually Water Planning Unit.

Thurston County

• WRSRP-2020-TCoPED-00046 – Lackamas/Toboton/Powell and Thompson/Yelm MAR Feasibility Study

This study had an executed contract but no work started prior to the project's funding expiration—this was a result of staffing constraints, challenges with private landowner participation in the study, and cost escalation since project award. Based on these constraints, it was appropriate to close the project out rather than attempt renegotiating the contract with ECY.

 WRSRP-2020-ThCoWR-00133 – Hidden Forest Stormwater Managed Aquifer Recharge

This project had complications with the source of water (questionable legal status of the source facility and water quality issues) that was proposed for infiltration/release into the wetland complex—these were significant barriers not realized at the time of the application. This left the project under scoped and serious questions about whether the project could realistically be implemented.

2022 Streamflow Restoration Grant Applications:

One streamflow restoration grant application was submitted to Ecology from within WRIA 11 for the 2022 funding cycle. This grant application is listed below:

• WRSRP-2022-NiLaTr-00168 - Middle Ohop Protection

The Nisqually Land Trust acquired one of the three properties included in this grant in July 2023, permanently protecting 0.44 miles of Ohop Creek shoreline and 55.8 acres in

the valley and on the steep bluff along the south side of the valley. Initial invasive weed control and cross-fence removal will begin once the cultural resources assessment and consultation is completed for the property this summer.

2024 Streamflow Restoration Grant Applications:

Two streamflow restoration grant applications were submitted to Ecology from within WRIA 11 for the 2024 funding cycle. These grant applications are listed below:

• Ohop Creek Protection 2024 (Nisqually Land Trust)

The Nisqually Land Trust submitted an application in February 2024 requesting funding for two additional properties in the Ohop Valley, one in the Lower Ohop Creek Restoration Project area and the other in the Ohop Valley adjacent to the Middle Ohop Creek Restoration Project area.

• Middle Ohop Creek Recovery Initiative (South Puget Sound Salmon Enhancement Group)

Bondo (RM 5.6): Currently partially funded, in this year's grant round to receive full funding and expected to. Updates to the design are needed due to a landslide and heavy beaver activity. Construction is expected to take place summer 2026. Nisqually Land Trust Reach: Application for PSAR Large Cap this round, but isn't expected to be funded. There is also an Streamflow application in to fund both of these projects and NIT plans to apply for America The Beautiful Challenge.

II. Changes in approach since the last report

There have been no changes in approach since the adoption of the Addendum to the Nisqually Watershed Management Plan on February 1, 2019.

III. Significant implementation challenges that will require a change in approach

The primary challenge the Nisqually Planning Unit currently faces is the lack of implementation funding to achieve the outcomes specified in the WRIA 11 Management Plan Addendum. The primary funding available is a competitive grant process that requires watersheds to compete amongst one another to garner implementation funding, and there is no guarantee that any actions in the WRIA 11 Plan Addendum will be funded. Furthermore, because the WRIA 11 Planning Unit was required to produce a plan addendum under a significantly tighter timeframe than other WRIAs, and was not provided the technical support to further develop or design projects, the Planning Unit requires technical support to develop projects prior to their grant readiness.

The Nisqually Planning Unit member governments continue to put significant time and resources into developing projects and preparing grant applications. The Planning Unit does not currently plan to change the overall approach to streamflow restoration implementation, but availability of funding may require a future change.

A second challenge is merging data across three counties as the WRIA 11 Planning Unit adaptively manages offsets into the future.

IV. Specific information regarding the Tier 1 actions that Ecology relied on in adopting the plan:

In their technical review of the WRIA 11 Watershed Management Plan Addendum, Ecology defined and categorized "Tier 1" projects based on perceived certainty of implementation of water offsets. It should be noted that the "Tier 1 designation" was developed by Ecology and does not reflect the priorities or certainties of the Nisqually Planning Unit. As a condition of adoption, this report provides the status of "Tier 1" projects:

1. Yelm Offset Action 1 – Connect New Development in Yelm UGA to City Water Service (Deep Well): The City of Yelm has submitted a draft mitigation plan prepared pursuant to the Streamflow Restoration Act to the Department of Ecology in support of its water rights application. Water rights were approved in May 2023 and the City is now updating its Water System Plan in order to obtain approval for additional connections which could be utilized to implement Yelm Offset Action 1.

2. Water Right Acquisition:

A preliminary Phase I water rights analysis for the Prairie Tributaries Sub-basin was conducted by the Washington Water Trust (WWT) during development of the Plan Addendum. Based upon the results from the Phase I analysis and the relationships within the watershed, the Nisqually Land Trust submitted a 2020 streamflow restoration grant application to work with the Conservation District and others to identify a water right for purchase in the Prairie Tributaries Sub-basin. The memo describing 10 potential water rights projects was completed, but outreach is onhold due to limited staffing and work will resume this summer. The project end date has been extended to 2024.

3. Yelm Offset Action 2 - Connect Existing Development on Permit-exempt Wells in Yelm UGA to City Water Service and Decommission Permit-exempt Wells: See #1 above.

4. Managed Aquifer Recharge (MAR) Projects:

Identification of MAR sites and a feasibility assessment of the offset and net ecological benefit each of the sites can contribute are included as portions of three separate streamflow restoration grant applications submitted in 2020:

- WRSRP-2020-NiRiFo-00125 Muck Creek Watershed Restoration Strategy and Project Prioritization
- WRSRP-2020-NiRiFo-00007 Project Development & Implementation of WRIA 11 Streamflow Restoration Plan
- WRSRP-2020-TCoPED-00046 Lackamas/Toboton/Powell and Thompson/Yelm MAR Feasibility Study

5. Ohop Creek Phase IV Restoration

- The Nisqually Land Trust acquired 55.8 acres in the Middle Ohop Creek Restoration area in July 2023 (funded through Ecology Streamflow Restoration project WRSRP-2022-NiLaTr-00168).
- The Land Trust acquired 34.4 acres in the Middle Ohop Creek Restoration area in November 2023. The Land Trust is requesting funding for this acquisition through the 2024 Salmon Recovery Funding Board grant round.

V. Permit-Exempt Well Reporting

Counties typically report their permit-exempt wells on an annual basis. This report element will summarize the well count by county for the calendar year prior to the year the report is submitted. Over time, this information can be used to compare to the projections of permit-exempt wells in the Plan Addendum. Offsets will be adaptively managed accordingly.

Permit-exempt Wells by Calendar Year in WRIA 11

County	2018	2019	2020	2021	2022	2023
Thurston County Portion of WRIA 11	19	18	30	30	31	31
Pierce County Portion of WRIA 11	11	25	50	82	37	38
Lewis County Portion of WRIA 11	1	1	1	4	3	5
TOTAL	30	44	81	116	71	74