

April 28, 2023

TO: Executive Committee Members

FROM: Scott Boettcher, Staff

SUBJECT: Projects Committee Recommendation – Meeting Unmet Local Project Funding Needs

Following is for today's 4:30 PM Executive Committee meeting. Questions: 360/480-6600, scottb@sbgh-partners.com.

A. Recently Identified Unmet Funding Need (Table 1)

1. Port of Grays Harbor needs \$1.3M to complete construction of [Haul Road project](#) in time for next flood season.
2. Port of Chehalis needs ~\$82K to complete construction of [Berwick Creek project](#) in time for next flood season.

B. Proposed Funding Approach (Tables 2, 3, 4)

Projects Committee analyzed 2021-23 funding/spending, identified surpluses, re-jiggered 2023-25 funding approach, and arrived at a proposed approach to substantially meet these unmet funding needs.

Approach:

1. Port of Grays Harbor (Haul Road Project):
 - Use available surplus to budget ~ \$170K additional - *Table 3*.
 - Restructure proposed 2023-25 funding approach to allocate ~\$570K - *Tables 3, 4*.
2. Port of Chehalis (Berwick Creek Project):
 - Use available surplus to budget ~\$82K additional - *Table 2*.

Benefits:

- ✓ Aids completion of important flood projects for important economic assets, revenue-generators – Satsop Business Park, Port of Chehalis Industrial Park.
- ✓ Flood Authority's contribution to Haul Road project (~57%) substantially adds to cost-share achieved thus far.
- ✓ If final funding cannot be found, Flood Authority's contribution can at least be helpful should emergency measures be needed next flood season.
- ✓ Adds two more "on-the-ground" local flood hazard reduction projects that support local basin communities.

NOTE: In analyzing local project surpluses, staff identified potential Lewis County surplus funds the Projects Committee also makes recommendation on.

C. Recommendation

Projects Committee recommends staff be directed to, as quickly as possible:

1. Work with sponsors (Ports), RCO, OCB and CBB to implement the proposed funding approach; and
2. Work with Lewis County, RCO, and OCB to carry-forward any surplus funds from Lewis County's 2021-23 Flood Authority Fiscal Agent funding agreement with RCO to its new 2023-25 funding agreement.

Attachments

Funding/Budgeting Analysis Tables

Table 1							
Unmet Needs -- Local Projects							
RCO #	Sponsor	Project	Budget	Spent	Unspent	Shortfall	Note
	Port of Grays Harbor	Haul Road Erosion Mid-Term Project	\$ -	\$ -	\$ 1,300,000	\$ 1,300,000	
18-2614	Port Chehalis	Berwick Creek Flood Reduction and Restoration	\$ 410,629	\$ (167,095)	\$ 243,534	\$ 82,543	1. \$165,085 remains for construction (after \$78,448.62 in projected remaining expenses). 2. Assume 50% increase in construction cost leaving \$82,543 shortfall.
						\$ 1,382,543	

Table 2							
Surplus -- Local Projects (2021-23)							
RCO #	Sponsor	Project	Budget	Spent	Unspent	Surplus	Note
21-1375	Port of Chehalis	Chehalis Industrial Park Phase I (Hydraulic Modeling)	\$ 84,985	\$ 31,071	\$ 53,914		Assign surplus to Port of Grays Harbor Haul Road Project after 1st addressing any shortfall Port of Chehalis may have for construction of Berwick Creek Project.
		Chehalis Industrial Park Phase II (Design,Permitting)	\$ 353,636	\$ -	\$ 353,636		
		50% contribution to 23-1221 (Joint City/Port Planning Process)	\$ (170,920)	\$ -	\$ (170,920)	\$ 154,088	
		Berwick Creek Flood Reduction and Restoration	\$ (82,543)		\$ (82,543)		
18-2599	CRBFCZD	Comprehensive Flood Hazard Management Plan, Ph 1	\$ 230,240	\$ 213,470	\$ 16,770	\$ 16,770	Assign surplus to Port of Grays Harbor Haul Road Project
15-1475	Lewis County	Lewis County Chehalis River Basin Flood Authority				\$ 10,000	Assign (carry-forward) surplus to Lewis County for 2023-25 fiscal agent costs.
						\$ 180,858	

Considered and Approved By the Flood Authority's Executive Committee on 4-28-2023

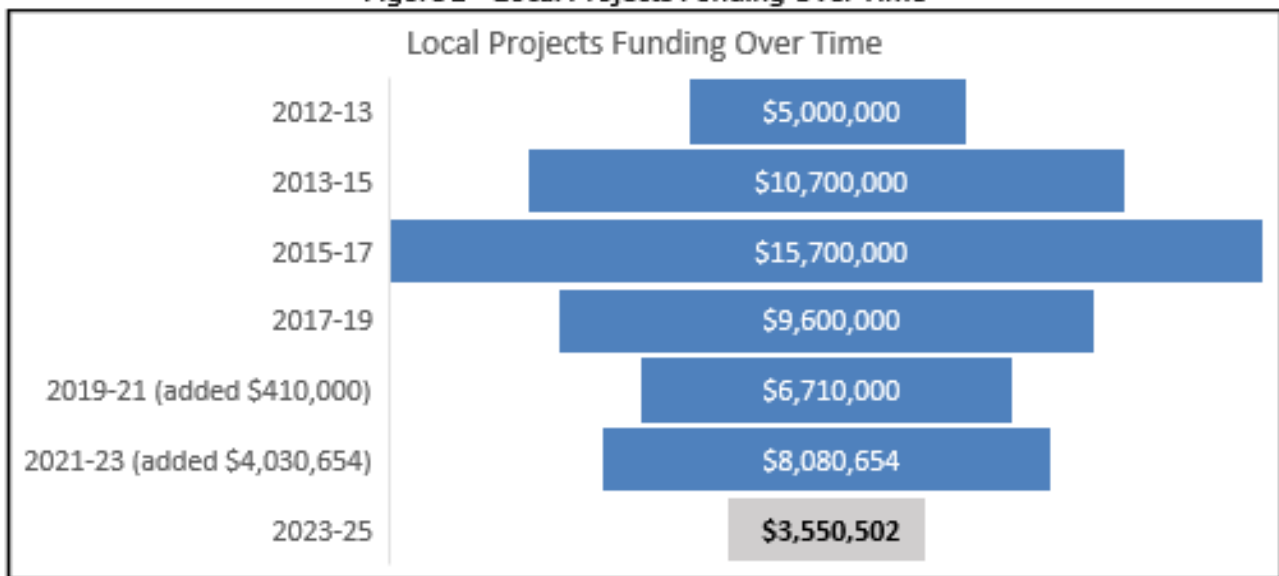
Table 3 Allocation -- Local Projects (2023-25)							
Category	Sponsor	Project	Need	Flood Authority Funding Approach 1/19/2023 3/16/2023	4-27-2023 Proposal 1	4-27-2023 Proposal 2	
Demolition	Chehalis	Derelict WWTP Demolition and Removal	\$ 4,962,977	\$ 100,000	\$ 100,000	\$ 95,900 (4% reduced)	
Farm Pad	Lewis CD	Osborn/Brunoff Livestock, Equipment Pad	\$ 160,000	\$ 160,000	\$ -	\$ -	
Infrastructure	Montesano	Montesano Water Supply Resiliency	\$ 350,000	\$ 350,000	\$ 350,000	\$ 335,650	
Pump Station	Hogiam	10th Street	\$ 3,300,000	\$ 2,194,032	\$ 2,194,032	\$ 2,104,077	
Infrastructure	POGH	Haul Road Erosion Mid-Term Project	\$ 1,300,000	\$ -	\$ 569,999	\$ 546,629	
Study	Centralia	China Creek Flood Storage, Fish Habitat Restoration Project (Phases 3, 4)	\$ 200,000	\$ 200,000	\$ -	\$ -	
	Lewis County	S.F. Chehalis /Boistfort CMZ	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	
	Montesano	Montesano Flood Mitigation Study (Phase 1)	\$ 120,000	\$ 120,000	\$ -	\$ -	
	Montesano	WWTP Bank Stabilization Project Impacts Analysis	\$ 90,000	\$ 90,000	\$ -	\$ -	
Other	Lewis County	Fiscal Agent, Staff Support	\$ 224,000	\$ 224,000	\$ 224,000	\$ 214,816	
	RCO	1.50%	\$ 161,505	\$ 52,470	\$ 52,470	\$ 50,356	
			\$ 10,928,482	\$ 3,550,502	\$ 3,550,502	\$ 3,407,428	

Table 4 Port of Chehalis Haul Road Project					
	Proposal 1			Proposal 2 (minus 4%)	
Need	\$	1,300,000		\$	1,300,000
Unspent from CRBFCZD	\$	(16,770)	CRBFA:	\$	(16,770) CRBFA:
Unspent from Port of Budgetted in 2023-25	\$	(154,088)	57%	\$	(154,088) 55%
Remain/Outstanding	\$	(569,999)		\$	(546,629)
	\$	559,143	43%	\$	582,513 45%
Investing in project protects ~\$695K spent on emergency project and design of longer-term project. Investing in project completes the project (so we are done for years). Investing in project exemplifies "on-the-ground" and "aggressively pursue." Investing in projects adds another project to the list of completed projects.					

Figure 1 -- Chehalis Basin Board Detailed Budget (12/01/2022)

FUNDING CATEGORY	SUM (\$)
Flood Damage Reduction	\$33,448,244
FRE	\$23,897,742
CFAR	\$3,000,000
LAND	\$3,000,000
Local Projects	\$3,550,502
Habitat Restoration	\$30,448,244
ASRP	\$30,198,244
Other Aquatic Species Actions	\$250,000
Integrated	\$5,203,512
Contract Management	\$570,000
Erosion Management	\$895,000
New Integrated	\$150,000
Participation	\$1,853,512
Skookumchuck Dam Analysis	\$575,000
Floodplain Acquisition Program	\$575,000
Strategy Outreach & Engagement	\$585,000
OCB Core	\$3,900,000
Total	\$73,000,000
<i>North Shore Levee</i>	<i>Up to \$35,500,000</i>

Figure 2 – Local Projects Funding Over Time



**Considered and Approved
by the Chehalis Basin Board
at Their May 4, 2023
Chehalis Basin Board Meeting**

We've come a long way in the last year with CBB support [\$695,000].

- ✓ Constructed **Emergency Project** to address 2022/23 flood threat.
 - * fish/habitat friendly
 - * above water (OHW)
 - * regulatorily compliant
 - * short-term solution

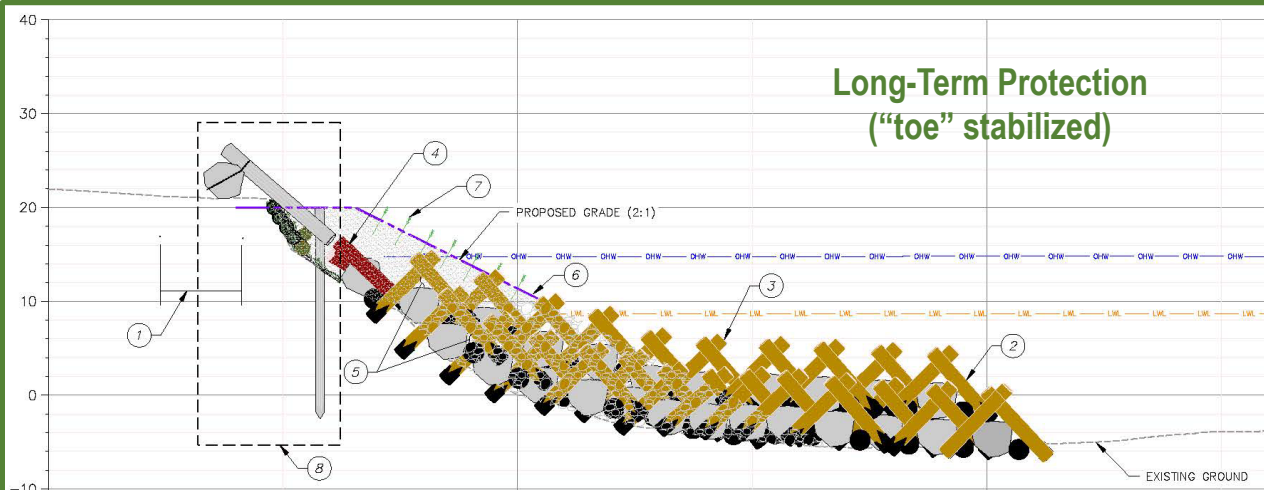
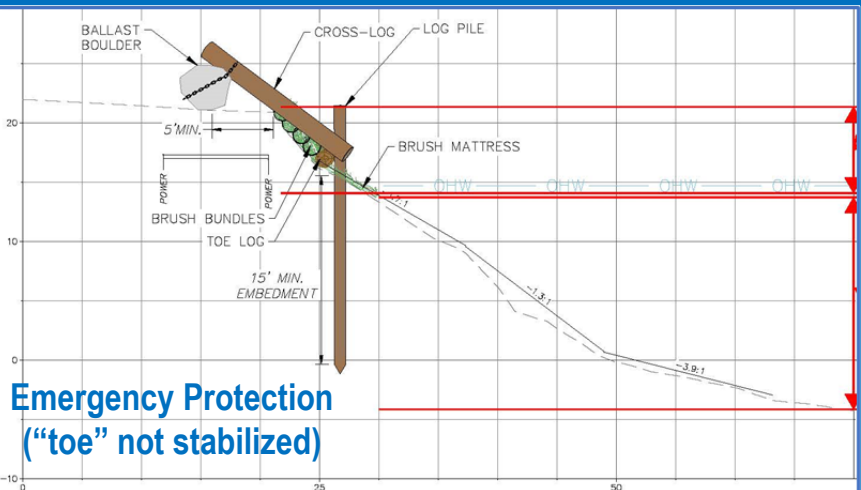
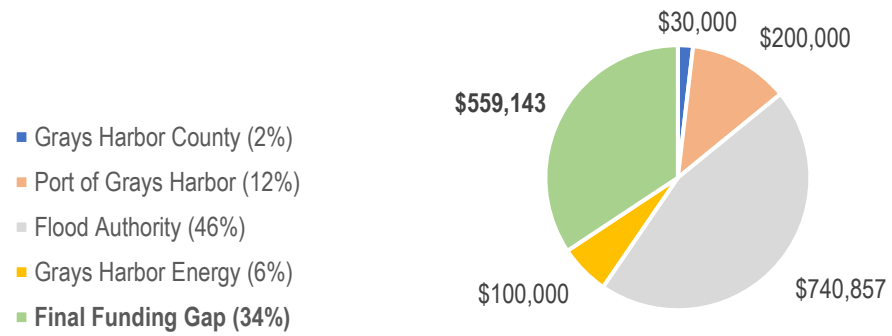
- ✓ Designed, permitted (nearly) **Long-Term Project** to address 2023/24 flood threat and beyond.
 - * fish/habitat friendly
 - * below water (OHW)
 - * regulatorily compliant
 - * long-term solution

- ✓ Committed to participate in GHCD's upcoming multi-stakeholder effort to develop a "reach-scale Investment Plan that addresses erosion, fish/wildlife/habitat, and flood issues for Chehalis River (RM 13-20)" [RCO [22-2193](#)].

Past CBB presentations: [5/05/2022](#); [6/02/2022](#); [10/06/2022](#); [4/06/2023](#).

Closing \$560K final funding gap is essential to long-term protection.

- ✓ Transform emergency project into **Long-Term Project** with in-water stabilizing log structures in advance of 2023/24 flood season.
- ✓ Emergency project is on borrowed time (as 2022/23 flood season was mild).
- ✓ Failure to close final funding gap now jeopardizes Haul Road actions to date (as well delivery of another "on-the-ground" success).



2023-2025 Budget Development Worksheet – PoGH Haul Road

Work Element

Port of Grays Harbor Haul Road Construction

Summary of 2023-2025 Work

In the winter of 2021-2022, the left bank of the Chehalis River adjacent to the Port of Grays Harbor's haul road began to erode into the road prism. This erosion threatened the utility corridor underneath the road, which contains power cables and a large water main that connect a water pump at one end of the corridor with the Port's customers at the other.

In the 2021-2023 biennium the Chehalis Basin Board funded a project to temporarily shore up the bank, reducing the immediate risk. That project did not address the underlying erosion issue, because it left the toe of the slope unprotected. The Port proposes installing log jacks along and extending into the Chehalis River to stabilize the bank over the long term by directing flow toward the center of the river, away from the erosion site.

Description of Needs

By installing the log jack structures, the Port anticipates that the erosion threat to the utility corridor at that section of the Chehalis River will be addressed in the long term. Protecting this older, but nuclear-grade, infrastructure will allow Port tenants to continue using the water it supplies.

Construction is anticipated to begin and end during the 2023 work window, which is open July and August.

If this work is not funded, the Port will likely use the already committed funding from the County, Grays Harbor Energy, the Flood Authority, and the Port itself to plan and prepare for a potential emergency intervention during the 2023-2024 high water season. It will also continue to search for other sources of funding, including a federal grant opportunity that ICF (under OCF contract) has already assisted them with.

A sufficiently high-speed erosion event during the 2023-2024 high water season could lead to loss of the utility corridor, with extremely negative consequences for the Port and its tenants.

List of Key Tasks & Assumptions

The Port has complete design work, and is preparing to go out for bid. Almost all permits have been secured, including cultural resource consultation and HPA approval.

The Port will be overseeing this work in concert with their engineering consultant.

Preliminary Cost Estimates

The total estimated cost for construction of this project is \$1,630,000. Of that, the Port has secured funding for \$330,000 from non-Strategy sources. The Flood Authority has additionally indicated a willingness to fund \$740,000 from 21-23 and 23-25 funds. The Port is asking the Board to fund the remaining \$560,000.