

TO: Chehalis River Basin Flood Authority Members
FROM: Lara Fowler, Coordinator
RE: Anchor QEA Budget Amendment Request for the Fisheries Impact Study
DATE: February 16, 2012

This staff report summarizes recent discussions on the Anchor QEA request for additional funding. Additional background information is available in the staff report created for the Flood Authority’s December 2011 meeting during which the Flood Authority considered extending Anchor QEA’s supplemental contract.

Original Anchor QEA Agreement (Aug. 2010-June 2011)

The original Anchor QEA Agreement was signed on August 19, 2010. The “Original Agreement” included a total not to exceed \$900,000 to develop a study by June 30, 2011 examining the potential impact of building a dam on the Mainstem Chehalis River on local fisheries. The original scope of work for the “Fisheries Impact Study” included the following:

Task #	Original Anchor QEA Agreement (2010) Description of Tasks	Budget
1	Review Existing Fish & Habitat Data	\$11,159
2	Meetings, Project Management	\$39,942
3	Hydraulics/Hydrology 3.1 Reservoir Operations 3.2 Hydraulic Analyses 3.3 Geomorphic, Sediment, Large Woody Debris	\$115,016
4	Water Quality 4.1 Water Quality /Temp Modeling 4.2 Current Water Quality Data Available 4.3 Water Quality data gaps 4.4 Proposed Water Quality data collection	\$64,492
5	Fish Habitat Availability Modeling Using PHABSIM	\$397,751
6	Fish Population Modeling Using Shiraz	\$206,100
7	Report Preparation	\$48,916
8	Data & Model Transfer Workshop	\$16,624
	Total	\$900,000

Supplemental Anchor QEA Agreement (Extension from June 2011 to December 2011)

Based on additional time to complete the Fisheries Impact Study granted by a legislative budget proviso in ESHB 2020 (2011), the Flood Authority approved a Supplemental Agreement with Anchor QEA to extend the original due date for the Fisheries Impact Study from June 2011 to December 31, 2011. In addition, this Supplemental Agreement provided an additional set of tasks to look at enhancement opportunities (the “Fisheries Enhancement Study”. The Supplemental Agreement allowed the due date for both studies to be “modified or extended by mutual agreement.” Supplement to Personal Services Agreement Between Lewis County & Anchor QEA (Aug. 8, 2011).

Although the Supplemental Agreement extended the date for completion, the original contracted amount of \$900,000 remained the same for the Fisheries Impact Study portion of the contract, with \$188,485.06 unexpended and available to complete the tasks from the original agreement. As a result, the Supplemental Agreement included tasks and budget outlined in the next table.

Supplemental Contract (2011)- Fisheries Impact Study		
Task #	Description	Budget
	Finish Tasks from original contract using funding carried over from the original agreement	\$188,485.06
2.1	Additional Sediment Analysis	\$37,504
2.2	Additional Flood Authority and fish subcommittee meetings; project management	\$12,471
	Total	\$238,260.06
Fisheries Enhancement Study		
1.1	Data compilation, off channel delineation, preliminary identification of opportunities	\$76,597.00
1.2	Enhancement opportunity planning & prioritization	\$112,643.00
	Total	\$189,240

Extension of Anchor QEA Supplemental Agreement from December 2011 to June 30, 2012
Anchor QEA submitted the Fisheries Impact Study and technical appendices to the Flood Authority in mid-November 2011. To ensure an adequate review period and opportunity for public comments, the Flood Authority indicated that comments could be submitted until early January 2012. In addition to the planned data and model transfer workshop, the Flood Authority also directed Anchor QEA hold a general question and answer session, and to meet directly with both the Quinault Indian Nation and the Chehalis Tribes to review the draft results.

In December 2011, the Flood Authority formally extended the timeframe for the Anchor QEA Supplemental Agreement to June 30, 2012. At that time, the Flood Authority did not authorize any additional funding.

Request for Additional Funding

In December 2011, Anchor QEA notified the Flood Authority that it had run short of funds for the Fisheries Impact Study. Anchor QEA submitted a formal request in early January 2012 for an additional \$40,000 in funding. The Flood Authority's Executive Committee discussed the request; Anchor QEA then provided additional detail about the request in response to the Executive Committee's questions. This information is summarized in the table below.

	Request for Additional Funding for Fisheries Impact Study (2012)	Estimated Cost	Requested Funding
Element Contributing to Cost Overruns	Analysis of upper watershed habitat data collected to estimate habitat capacity	\$6,000	\$3,000
	Additional research for basin-specific data and development of functional linkages	\$22,000	\$11,000
	Meetings, copies, travel, and preparation for series of draft results presentations	\$10,000	\$5,000
	Project management and coordination	\$2,000	\$1,000
	Sub-total	\$40,000	\$20,000
Elements towards completing study	Re-running analysis to incorporate comments, improve model	\$30,000	\$10,000
	Report edits and additional documentation	\$5,000	\$5,000
	Respond to larger number, more detailed, and more sensitive comments than expected	\$5,000	\$5,000
	Sub-total	\$40,000	\$20,000
	Total	\$80,000	\$40,000

Current Status

At its January 2012 meeting, the Flood Authority reviewed Anchor QEA's request for additional funding. After discussion, the Flood Authority authorized up to the \$40,000 requested by Anchor, depending on what the Flood Authority's Executive Committee found after closely reviewing the original and supplemental scopes of work versus the additional budget requests.

As staff, I reviewed the original and supplemental tasks and the request for additional funding, and again sought additional information from Anchor QEA. The Flood Authority's Executive Committee then reviewed the findings, which are as follows:

1. Analysis of the upper watershed: This was originally included as part of Task 5 in the 2010 agreement. Because Anchor QEA could not originally access the land near the proposed reservoir site owned by Weyerhaeuser, Anchor developed a model to simulate the impact to this area. Anchor QEA subsequently obtained access to this area and was able to do on-the-ground field work. This resulted in better information, but also resulted in additional cost to effectively do this work twice.
2. Additional research for basin-specific data: Anchor QEA held three specific meetings with technical staff to determine if additional information was available. Where data was not available, Anchor had to develop a model based on reasonable assumptions and working from the best data sets available. The availability of less data than anticipated resulted in more work than expected to develop the actual model.
3. Additional meetings: As discussed above, Anchor held three additional technical work sessions. In addition, per the Flood Authority's request, Anchor QEA held an additional question and answer session after the draft report was released and also specifically briefed the Quinault Indian Nation and the Northwest Indian Fisheries Commission, as well as the Chehalis Tribe. These in-depth briefings were not anticipated in the original or supplemental agreements.
4. Additional project management and coordination: The extension of the contract time period plus the additional meetings and effort described above resulted in additional project management and coordination beyond that originally anticipated in either the original or supplemental agreements.
5. Re-running analysis and updating the model: Due to the requests from the Flood Authority and state reviewers, Anchor QEA is revising its models, particularly the water quality models, and re-running the results. This has taken significant staff time beyond that originally anticipated.
6. Report Edits, Documentation, Responding to Comments: Due to the 400+ comments, Anchor has invested significant time in responding to the comments and providing additional documentation where needed.

The Executive Committee observed that Anchor QEA should have expected to have to gather additional information (including expanding the model to include 2 species to 3 species) and to need to respond to a variety of comments; however, the Committee also recognized that Anchor QEA did not request to cover all the cost overruns and is only requesting half, or \$40,000.

Executive Committee's Recommendation:

Based on the above, the Executive Committee recommends that the Flood Authority develop another supplemental agreement with Anchor QEA authorizing an additional \$40,000. The Executive Committee also recommended that any change order or task for this agreement, and any other Flood Authority contract, be specifically included in the supplemental agreement.

The Executive Committee reviewed the Flood Authority's contract with OFM, and absent any other funding source, recommended that \$10,000 of this funding be taken from Task 4 (initial analysis and report on flooding impacts of bridges and mitigation alternatives basin wide), and \$30,000 from Task 8 (which includes un-encumbered funding for flood authority staff support/development of FY 2013 workplan). This would be subject to approval from OFM. The Executive Committee also requested staff to follow up with the Governor's Office on the funding question again.

I spoke with Keith Phillips from the Governor's Policy Office today, and he indicated that the State could cover the additional \$40,000 requested.