

MEMORANDUM

Date: June 1, 2021
To: Chehalis Basin Board
From: Andrea McNamara Doyle, Office of Chehalis Basin Director
Re: Chehalis Basin Strategy 2019-2021 Capital Budget Unobligated Funds

This memorandum was developed in response to a request from Chehalis Basin Board members at your May 17, 2021 meeting for information on how much of the re-appropriated 2019-21 Chehalis Basin Strategy funds are currently unobligated, and any pending plans to obligate these funds to new or existing work elements.

2019-2021 Unobligated Funding Summary

The current estimate of re-appropriated but currently unobligated 2019-21 funds is approximately \$8.9M. Approximately \$4.5M of those unobligated funds have already been identified for specific projects and are currently pending to be put under contract, leaving an adjusted total of \$4.4M in unobligated 2019-21 funds. The table below summarizes these estimates by fund type.

Table 1: 2019-21 Unobligated Funding Summary

BUDGET FUND TYPE	2019-21 UNOBLIGATED (IN MILLIONS)	PENDING CONTRACT AMOUNTS	ADJUSTED 2019-21 UNOBLIGATED (IN MILLIONS)
AQUATIC SPECIES HABITAT RESTORATION PROJECTS	\$2.1	\$2.1	\$0
FLOOD DAMAGE REDUCTION PROJECTS	\$2.8	\$2.4	\$0.4
ACTIVITIES TO ADVANCE THE LONG-TERM CAPITAL STRATEGY	\$4.0	\$0	\$4.0
TOTAL	\$8.9	\$4.5	\$4.4

Aquatic Species Habitat Restoration

There are currently \$2.1M in unobligated 2019-21 funds that were appropriated for aquatic species restoration plan projects. Of that total, Washington Department of Fish and Wildlife (WDFW) staff are in the process of obligating the entirety of these funds for:

- \$310K for procurement of large woody material to support ASRP habitat restoration project construction

- \$1.8M to fill a construction funding gap to complete all five of the Early Action Reach restoration projects identified in the 2019-21 biennium.

Flood Damage Reduction Projects

There are currently \$2.8M in unobligated 2019-21 funds that were appropriated for flood damage reduction projects, specifically Community Flood Assistance & Resilience (CFAR) program project implementation. Through OCB technical assistance and coordination provided to local and tribal governments, residents, and business owners in the 2019-21 biennium, OCB staff are in the process of obligating approximately \$2.4M of these funds for:

- Home elevation projects: \$2.25M (Up to 15 projects at ~\$150K/project)
- Crawlspace and flood opening retrofits: \$150K (Up to 10 projects at ~\$15K/project)

The remaining approximately \$400K in unobligated 2019-21 flood damage reduction funds is anticipated to be used for additional priority retrofit and floodproofing projects identified in the 2021-23 biennium with willing landowners and local governments or for potential cost overruns or additional funding needs on currently identified projects.

Activities to Advance the Long-Term Capital Strategy

There are currently \$4M in unobligated 2019-21 funds that were appropriated for activities that will advance the long-term capital strategy. While there are no imminently pending contracts that have been identified for these unobligated funds, there are a number of potential work elements that these funds could be used for in the 2021-23 biennium:

- Developing a comprehensive flood damage reduction strategy, which was not originally included in the 2021-23 budget options presented to the Board, but which was identified as a priority at the May 17 Board meeting. The initial estimate for this work is approximately \$500K - \$1.5M.
- New project opportunities beyond what has been identified in the 2021-23 budget options presented to the Board.
- Additional staffing needs for state and local agencies and tribes beyond what has been identified in the 2021-23 budget options presented to the Board.
- Changes in cost/scope due to unanticipated requirements for the NEPA or SEPA EISs or other critical work elements beyond what has been identified in the 2021-23 budget options presented to the Board.
- Cost overruns or unanticipated additional funding needs on existing aquatic species habitat restoration or flood damage reduction projects.

Next Steps

Board members discussed the possibility of using some portion of the unobligated 2019-21 funds, where appropriate, to advance 2021-23 budget priorities and also discussed the value in holding some contingency funds to address unforeseen budget needs and opportunities that arise during the biennium such as those listed below. OCB staff will present this information to Board members at their June 3, 2021 meeting and respond to any questions or comments.