

# MEMORANDUM

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**Date:** May 20, 2021  
**To:** Chehalis Basin Board Members  
**From:** Andrea McNamara Doyle, Director, Office of Chehalis Basin

**Re:** Next Steps on Chehalis Basin Board 2021-23 Capital Budget Spending Plan

## Background

At the May 17, 2021 Chehalis Basin Board meeting, board members discussed several considerations for finalizing a workplan and budget for 2021-2023 that fits within the \$70M appropriated to the Office of Chehalis Basin for the Chehalis Basin Strategy.

The following summary reflects staff's understanding of the general sense of the board's preferences, priorities, and guidance based on those discussions. No board decisions were made at that meeting, and board members were not asked to individually confirm their views on each of these topics. As a result, staff is using board members' expressed preferences, concerns, and priorities at the meeting - and in some cases lack of any expressed opposition to aspects of the budget - as the basis for further refining the options for the 2021-2023 work plan and budget.

## *Integrated Work*

- Board members did not raise questions or concerns for funding the Integrated elements equally from the \$33.05M allocations for aquatic species and flood damage projects.
- Board members questioned and expressed reservations about the \$3M in funding for property acquisition within the Integrated elements, which would be over and above the property acquisition for habitat projects under the ASRP workplan and the property acquisition for flood damage projects under the CFAR workplan.
- Board members expressed support for other Integrated elements and did not raise questions or concerns about funding for the remaining proposed Integrated budget elements.

## *OCB Assumptions on Integrated Budget:*

- 2021-23 Budget should include funding for each of the Integrated budget elements, except the \$3M in funding for property acquisition projects.
- Funding for the Integrated budget category should come equally from the \$33.05M allocation for flood damage reduction and aquatic species habitat restoration, meaning that approximately \$1.9M should be reduced from both habitat and flood damage budget categories.

## *Aquatic Species & Habitat Restoration*

- Board members requested more detail on the cost estimates for the \$22M in New Projects and how those projects would be prioritized.
- Board members did not raise concerns about any particular aspect of the aquatic species habitat restoration budget.

- Board members expressed support for having the ASRP Steering Committee make recommendations to the Board for how to adjust the habitat budget elements and how to prioritize specific projects within the overall funding level the Board sets for the ASRP.

### ***OCB assumptions on Aquatic Species & Habitat Restoration Budget:***

- 2021-23 aquatic species habitat restoration budget should be reduced ~\$1.9M to fund half of the Integrated project budget.
- Whatever the final budget allocation is for aquatic species habitat restoration, the Board will request that the ASRP Steering Committee make a recommendation for how to adjust the total allocation from the original ASRP estimate.
- The All-H Integration work plan and budget for WDFW and the tribes requested by the Board will be managed by the OCB Director rather than by the ASRP Steering Committee.

### ***Flood Damage Reduction***

- Board members sought clarification and expressed support for adjusting the 2021-2023 budget to more explicitly identify which projects and other work plan elements would carry forward the work of the Local Actions Program (LAP).
- Board members expressed interest in a more coordinated approach to assist in evaluating and recommending projects that reduce flood damage as part of a comprehensive, basin-wide flood reduction plan. Discussion included:
  - Support for an approach that builds on the past work by the LAP advisory groups, and also encompasses other flood damage reduction efforts (*e.g.*, North Shore Levee, CFAR, Flood Authority projects, proposed flood retention facility, etc.), to produce a coordinated set of options and recommendations for the Board to achieve its comprehensive, basin-wide flood damage reduction objectives, with or without the proposed flood retention facility.
  - Staff clarified that capacity funding for state and local agencies, tribes, NGOs, and consultants to participate in an ongoing LAP advisory group process was not included in the 2021-23 budget estimates.
- Board members expressed support for completing the SEPA and NEPA EISs and further developing and refining avoidance, minimization, and compensatory mitigation (AM&M) analyses.
- Board members questioned and requested more detail about the \$6M estimate for preliminary engineering and design activities for the flood retention facility, and the timing of when additional engineering and design work would happen. Discussion included clarifications that:
  - \$6M would not be sufficient to reach 60% design of the facility
  - Some additional design/engineering work is likely needed to respond to the draft SEPA and NEPA EIS comments and to refine AM&M analyses (*e.g.*, for fish passage components of the facility), and
  - Some additional design/engineering work would be needed to prepare preliminary draft permit applications for federal and state water quality permits.
- Board members sought clarification that funding requested for the North Shore Levee was not duplicative of funding the cities of Aberdeen and Hoquiam had received through other sources.

With that clarification, no concerns or objections were raised about the level of funding requested for the West Segment.

- Board members discussed possible ways to adjust funding levels for local projects (e.g., include just the top five ranked projects, totaling \$9.4M) and also expressed support for having the Flood Authority make recommendations to the Board for prioritizing local projects within the overall funding level the Board sets for the local projects.
- Board members suggested de-emphasizing new CFAR project implementation funding for retrofit/floodproofing and acquisition projects until current CFAR carryforward funding is used. No concerns or objections were raised about providing new funding for OCB to continue providing technical assistance to local and tribal governments, residents, and business owners through the CFAR program.

#### ***OCB assumptions on Flood Damage Reduction Budget:***

- Based on the Board discussion, addition reductions will need to be agreed to by the Board in order to meet the ~\$31M allocation for flood damage reduction elements. The flood damage reduction budget categories have been revised to more clearly identify projects and work associated with the Local Actions Program.
- Based on Board members' expressed interest, staff has added a new budget element re: developing a comprehensive flood damage reduction strategy. The preliminary range for the work is \$500,000 - \$1,500,000.
- The \$6M estimate for advancing the design/engineering of the flood retention facility would be available for the flood district to respond to design/engineering needs for finishing the SEPA and NEPA EIS, continuing AM&M, and for the applicant to advance preliminary design for permit applications in consultation with permitting agencies.

#### ***Other***

- Board members discussed the possibility of using unobligated 2019-21 funds, where appropriate, to advance 2021-23 budget priorities, and requested additional information on how much of the re-appropriated 2019-21 funds are currently unobligated. Board members were reminded of the value in holding some contingency funds to address unforeseen budget needs and opportunities that arise during the biennium (e.g., cost overruns, new project identification).
- Board members suggested OCB staff re-examine all proposed work elements to determine if any additional refinements can be made to lower budget estimates.

## **Conclusion**

Based on the discussion at the May 17, 2021 Board meeting, and further cost estimate refinements received from other agencies and strategy participants, OCB staff has revised the 2021-23 budget options for the Board's further consideration in Table 1 below. Work will continue on additional refinements between now and the June 3 Board meeting. In the Potential Options column, additional reductions between \$6M to \$8M are necessary in the Flood Damage Reduction elements to create a \$70M budget for the biennium.



**Table 1 Revised 2021-2023 Budget Options as of May 20, 2021**

WORK ELEMENT	CATEGORY	ORIGINAL (MAY 6)	POTENTIAL OPTIONS
<b>Aquatic Species Habitat Restoration (TOTAL)</b>	<b>Habitat restoration</b>	<b>\$33,100,000</b>	<b>\$31,150,000</b> (elements below will need to be reduced by ~\$1.9M) <sup>1</sup>
ASRP New Projects	Habitat restoration	\$22,600,000	\$22,600,000
ASRP Implementation Support	Habitat restoration	\$6,200,000	\$6,200,000
ASRP Program Oversight, Management, & Participation	Habitat restoration	\$4,200,000	\$4,200,000
All-H and Predation Integration	Habitat restoration	\$100,000	\$100,000
<b>Flood Damage Reduction (TOTAL)</b>	<b>Flood Damage Reduction</b>	<b>\$39,700,000</b>	<b>\$31,150,000</b> (elements below need to be reduced by ~\$6M to \$8M)
Comprehensive Basin-wide Flood Damage Reduction Road Map	Flood Damage Reduction	<i>n/a</i>	\$500,000 - \$1,500,000 <sup>2</sup>
<b><i>Flood Retention Facility &amp; Airport Levee</i></b>			
Finalize SEPA and NEPA EISs and Refinements to Avoidance, Minimization, and Mitigation	Flood Retention Facility	\$14,700,000	\$14,500,000
Additional Design/Engineering to support SEPA/NEPA, AM&M, & preliminary permit apps	Flood Retention Facility	\$6,000,000	\$6,000,000
<b><i>Local-Scale Flood Damage Reduction</i></b>			
Aberdeen-Hoquiam North Shore Levee West Segment	Local-Scale Flood Damage Reduction	\$4,000,000	\$4,000,000
Flood Authority Projects	Local-Scale Flood Damage Reduction	\$10,000,000	\$9,400,000 <sup>3</sup>
Community Flood Assistance & Resilience (CFAR)	Local-Scale Flood Damage Reduction	\$3,000,000	\$500,000 - \$1,500,000 <sup>4</sup>
Local Area Structural Flood Protection & Floodplain Mapping/Modeling	Local-Scale Flood Damage Reduction	\$2,000,000	\$2,000,000
<b>Integrated (TOTAL)</b>	<b>Integrated</b>	<b>\$6,870,000</b>	<b>\$3,860,000</b>
Skookumchuck Dam Analysis	Integrated	\$450,000	\$450,000
Erosion Management	Integrated	\$320,000	\$320,000
Floodplain Acquisition Program & Land Use	Integrated	\$3,600,000	\$600,000 <sup>5</sup>
Community Outreach/ Engagement	Integrated	\$300,000	\$300,000
State, Tribal, and Local Agency Program Participation	Integrated	\$2,200,000	\$2,190,000
<b>Core OCB/Board Operations and Staffing (TOTAL)</b>	<b>General</b>	<b>\$3,900,000</b>	<b>\$3,900,000</b>
<b>TOTAL</b>		<b>\$83,570,000</b>	<b>\$70,000,000</b>

**Note:**

1. ASRP Steering Committee would be asked to make recommendations to the Board for how to adjust & prioritize specific projects within this \$31.15M level
2. Range provided based on previous budget needs for Local Actions Program Advisory Group process
3. Flood Authority would be asked to make recommendations to the Board for how to adjust & prioritize specific projects within this \$9.4M level
4. Reduce range is in response to Board discussion to de-emphasize funding for retrofit/floodproofing and acquisition projects
5. Reduced to remove additional floodplain property acquisition.