

MEMORANDUM

Date: July 6, 2022
To: Chehalis Basin Board
From: Andrea McNamara Doyle, OCB Director
Re: Recent requests for reserved 2021-23 and unobligated 2019-21 funding, and OCB Staff recommendations

Overview and Summary

At the July 7, 2022 Board meeting, you will be asked to provide direction and make a decision regarding an approach for allocating reserved 2021-23 flood damage reduction and aquatic species habitat restoration funds and unobligated 2019-2021 funds. The purpose of this memorandum is to preview the projects and requests that will be presented to you on July 7, and offer OCB staff's recommendation for funding these supplemental requests from remaining unobligated 2019-2021 and 2021-2023 biennial appropriations.

A total of ten requests and project needs have been identified, ranging in size from \$50,000 to \$8.53 million each, for a total of \$13.92 million. Two requests for additional aquatic species projects and studies have been received, totaling \$8.895 million. Four additional flood damage reduction project and analysis funding needs have been requested by project sponsors or identified by staff, totaling \$4.6 million. Four additional integrated projects and needs are being requested, totaling \$425,000.

Staff will be making the following three recommendations, which are more fully spelled out in the remainder of this memorandum. Staff recommends that:

1. The Board release the \$8.53 million in reserved 2021-2023 aquatic species and habitat funds to be obligated for new ASRP projects and aquatic species studies, allocating up to \$365,000 for the Experimental Skookumchuck River Chinook Study and the remainder for other projects recommended by ASRP Regional Implementation Teams and the ASRP Steering Committee.
2. The Board release the remaining \$7.18 million in reserved 2021-2023 flood damage reduction funds, allocating \$1.857 million (\$650,000 of which the OCB Director has authority to approve, and \$1,207,000 of which requires Board approval) for the Proposed Dam/Airport Levee Project's mitigation alignment evaluation and costs associated with completing the final SEPA and NEPA EISs; \$400K for construction of the Haul Road Short-Term Erosion Management Project; \$778K in immediate needs for four local projects recommended by the Flood Authority; and the remainder for other projects recommended at a later date by the Flood Authority, Local Actions Non-Dam (LAND) Steering Group, or Community Flood Assistance & Resilience (CFAR) staff.
3. The OCB Director use unobligated 2019-2021 funds for the \$2.5 million in increased construction costs associated with the Fry Creek Pump Station, and for the \$425,000 associated with other Integrated actions described below, including two Erosion

Management Design & Construction Projects, a Stream Gage Master Plan Update, and Targeted Outreach and Community Engagement with Underserved Populations.

Recent Funding Requests & Staff-Identified Needs

The following funding requests have been recently received or identified by OCB staff. They are listed in order of the size of the request. Some requests have more details than others. Where available, additional information from the requesting party has been attached as an appendix.

ASRP (\$8.53 Million)

At the June 2, 2022 Board meeting, the ASRP Steering Committee requested the Board approve the release of the reserved \$8.53 million in unobligated funds available for new ASRP projects (see Appendix A). Due to narrow habitat construction in-water work windows, ASRP projects face possible delay if some unobligated reserve funds are not released by July, 2022. The ASRP Steering Committee has expressed concerns that project delays can have impact on project success, landowner partnerships, project sponsor trust, priority acquisitions, and project development efforts.

Fry Creek Pump Station (\$2.5 Million)

Since the June Board meeting, the cities of Aberdeen and Hoquiam sent a letter (see Appendix B) requesting \$2.5 million to complete the funding package for construction of the Fry Creek Pump Station due to increased construction costs.

Proposed FRE/Airport Levee Project & Final EISs (\$1.85 Million)

At the June 2, 2022 Board meeting, the Chehalis Basin Flood Control Zone District (FCZD) requested an additional \$857,000 (\$650,000 of which the OCB Director has authority to approve, and \$207,000 of which requires Board approval from the unobligated flood damage reduction reserve) to evaluate the flood retention facility mitigation alignments to avoid direct impacts to sensitive cultural resources, potentially minimize impacts to fish species during construction, and possibly reduce construction time, cost, and complexity. This request is in addition to the ~\$1.35 million allocated from the \$8.53 million flood damage reduction reserve in May by the OCB Director¹ for the FCZD to begin examination of the mitigation alignments (see Appendix C & D).

While no specific cost estimates are yet available, in conversations since the Board meeting, OCB staff has identified the potential for up to an additional \$1 million this biennium for agencies, tribes, contractors, and/or the FCZD to evaluate the mitigation alignment and complete the final SEPA and NEPA EISs.

Local Flood Authority Projects (\$778,000)

The Flood Authority has identified and recommended \$778,000 in immediate needs and opportunities for the remainder of this biennium. (see Appendix E, F, G, & H). This amount includes \$758,000 to honor payback commitments for three Flood Authority projects: China Creek Floodwater

¹ \$2M of the \$8.53M flood damage reduction reserve was reserved as contingency for the FRE/Airport Levee budget line item, to be obligated by the OCB Director only for unforeseen costs associated with completing the final SEPA & NEPA EISs

Storage & Fish Habitat, Mill Creek Multi-Objective Implementation Plan Phase II, and Berwick Creek Flood Reduction and Restoration. The Flood Authority seeks to “make whole” these projects that basin jurisdictions had previously agreed to re-purpose some funding to other Flood Authority projects in the spirit of continuing reciprocity and goodwill. The remainder of the Flood Authority’s immediate requests includes \$20,000 to purchase, install, and calibrate a stream gage on China Creek as part of the Chehalis Basin Flood Warning System.

The Flood Authority is also in the process of prioritizing a series of funding requests for existing and new projects that they will bring to the Board for consideration at a future meeting. There is also interest in potential additional implementation funds for CFAR or LAND, although no specific project proposals have yet been submitted.

Port of Grays Harbor Haul Road Short-Term Erosion Management (\$400,000)

Since the June Board meeting, the Port of Grays Harbor and Chehalis Basin Flood Authority have modified the cost estimate for a permittable, constructible short-term solution for the upcoming flood season for the Port of Grays Harbor Haul Road erosion project (see Appendix I). The most recent cost estimate is \$400,000. This is substantially less than original cost projections previously provided to the Board, reflecting a greater understanding of the hydrodynamic and geotechnical context as well the permitting, bidding, materials and construction context. This will be an initial project that can occur before 2022/23 flood season and before end of biennium. Port of Grays Harbor also continues working on finding funding partners to address erosion concerns for the project. The Flood Authority has identified this project as a high priority for immediate funding.

Experimental Skookumchuck Chinook Salmon Study (\$365,000)

Some members of the Skookumchuck Dam technical group recently expressed interest in an experimental study with the goal of increasing the separation between spring-run and fall-run Chinook salmon spawn timing. The study proposes to change the timing and volume of water released from the Skookumchuck Dam during late summer/early fall for three years starting in 2022 to produce flow conditions that more closely mimic the historical flow pattern from mid-August through mid-October (see Appendix J). The proposed scope and budget for the study consists of three parts: 1) Monitoring the lower Skookumchuck River with a sonar camera during the arrival of early fall-run Chinook in August and September for three consecutive years, at a first-year cost in 2022 of \$104,000; 2) Continuing for three more years the three-year fry trapping work initiated by the Quinault Indian Nation in 2020 (for a total of six years), at an additional cost of up to \$260,000 in 2023; and 3) Data analysis and final report in 2024, at a cost TBD. The first-year funding requested for the project this biennium is estimated at approximately \$365,000. OCB, WDFW and Quinault Indian Nation staff are actively discussing the details of the study’s scope, budget, and implementation in 2022-23.

Haul Road Reach-Scale Erosion Management Design (\$150,000)

The most current cost estimate to advance the design of a reach-scale erosion management plan near Haul Road is \$150,000. This project has previously been presented to the Board.

SR 508 Lewis County Erosion Management Project (\$150,000)

Lewis County Conservation District has requested up to \$150,000 to construct a previously identified erosion management project along SR 508 in Lewis County.

Chehalis Basin Stream Gage Master Plan Update (\$75,000)

The Flood Authority has requested \$75,000 to update the 2017 Chehalis Basin stream gage plan, which set priorities for 2017-2022. The Flood Authority has been fielding requests for new gage locations, low-flow gaging, river forecasting, snow gaging, relocating gages, and integrating flood and fish gaging. After discussions with OCB, the Flood Authority has agreed to include within the scope of work for the gage plan update consideration of the Basin's integrated gaging needs and priorities.

Targeted Outreach & Participation Funding for Underserved Populations (\$50,000)

\$50K for targeted community outreach and engagement with underserved and marginalized populations on Chehalis Basin Strategy activities.

Available Unobligated Funds

2021-2023 Aquatic Species and Habitat Reserve

When the Board approved its 2021-2023 Spending Plan in August of last year, \$30.87 million was allocated for Aquatic Species and Habitat, and \$8.53 million of the \$30.87 million was reserved as unobligated until 2022 Board check-in(s). At the June 2, 2022 Board meeting, the ASRP Steering Committee requested the Board release all of the remaining \$8.53 million in reserved 2021-2023 aquatic species and habitat funds to be obligated for new ASRP projects. More recently, some members of the Skookumchuck Dam study team have expressed interest in a new three-year experimental Skookumchuck Chinook genetics study, at a cost of approximately \$365,000 for the first year.

OCB Recommendation: Staff recommends the Board release the \$8.53 million in reserved 2021-2023 aquatic species and habitat funds to be obligated for new ASRP projects and aquatic species studies, allocating it as follows:

- Up to \$365,000 for the Experimental Skookumchuck River Chinook Study, which may be obligated after the study plan is approved by the ASRP Steering Committee.
- The remainder for other projects recommended at a later date by the ASRP Steering Committee and approved by the OCB Director.

2021-2023 Flood Damage Reduction Reserve

When the Board approved its 2021-2023 Spending Plan in August of last year, \$30.87 million was allocated for Flood Damage Reduction Projects and Planning, and \$8.53 million of the \$30.87 million was reserved as unobligated until 2022 Board check-in(s). Two million (\$2m) of the \$8.53 million flood damage reduction reserve was reserved as contingency for the FRE/Airport Levee budget line

item, to be obligated by the OCB Director only for unforeseen costs associated with completing the final SEPA and NEPA EISs. Earlier this spring, the FCZD requested, and the OCB Director approved, allocating ~\$1.35 million of the flood damage reduction reserve to begin investigating and evaluating new the mitigation alignments as part of the final SEPA and NEPA EISs.

At the June 2, 2022 Board meeting, the Chehalis Basin Flood Control Zone District (FCZD) requested the Board approve the release of an additional \$857,000 from the unobligated flood damage reduction reserve (\$207,000 of which goes beyond the \$2 million the OCB Director has authority to approve) for actions regarding flood retention facility mitigation alignments. In conversations since the Board meeting, OCB staff has also identified a need to reserve up to \$1 million for other potential costs this biennium related to the mitigation alignment and final SEPA and NEPA EISs for agencies, tribes, contractors, and/or the FCZD.

OCB Recommendation: Staff recommends the Board release the remaining \$7.18 million in reserved 2021-2023 flood damage reduction funds, allocating it as follows:

- \$857,000 for the FCZD's mitigation alignment evaluation
- Up to \$1 million for other potential costs this biennium related to the mitigation alignment and final SEPA and NEPA EISs incurred by agencies, tribes, contractors, and/or the FCZD
- \$400,000 for construction of the Haul Road Short-Term Erosion Management Project
- \$778,000 in immediate needs for the following local Flood Authority projects
 - China Creek Floodwater Storage & Fish Habitat, Mill Creek Multi-Objective Implementation Plan Phase II, Berwick Creek Flood Reduction and Restoration, and China Creek Gage Purchase, Installation & Calibration.
- The remainder (\$4.145 million) for other projects recommended at a later date by the Flood Authority, Local Actions Non-Dam (LAND) Steering Group, or Community Flood Assistance & Resilience (CFAR) staff and approved by the OCB Director.

Unobligated 2019-21 Funds

At the June 2, 2022 Board meeting, the Board was notified that there is currently ~\$3.3 million in unobligated 2019-21 funds. These funds were originally designated for advancing the overall long-term strategy, but for various reasons have not yet been needed. They are not subject to the 2021-2023 Capital Budget Proviso requiring six out of seven voting members to approve their use. Per previous Board direction, the OCB Director is authorized to obligate these funds for the purposes of advancing the overall long-term strategy. To date, the OCB Director and has prioritized re-purposing unobligated 2019-2021 funds for cost increases or other unanticipated requirements associated with active/ongoing projects that were initiated before the 2021-23 biennium (*i.e.*, as “contingency” funds). Moving forward, since the Board did not reserve any “Integrated” funding from the 2021-2023 biennium, new integrated projects that advance both flood damage reduction and aquatic species habitat restoration priorities would also seem to be an appropriate use of these unobligated 2019-2021 funds.

OCB Recommendation: Staff recommends prioritizing unobligated 2019-21 funds for the following cost increases and integrated actions:

- \$2.5 million in increased construction costs associated with the Fry Creek Pump Station
- \$425,000 for the following Integrated actions:
 - Haul Road Reach-Scale Erosion Management Design, SR 508 Lewis County Erosion Management Construction Project, Stream Gage Master Plan Update, and Targeted Outreach and Community Engagement with Underserved Populations.

Summary Table of Proposed OCB Recommendations

Project Name	Cost estimate for remainder of biennium	OCB Staff Recommended Fund Source
ASRP Projects	Up to \$8,530,000	2021-23 Aquatic Species & Habitat Reserve Funds
Experimental Skookumchuck Chinook Salmon Study	Up to \$365,000	2021-23 Aquatic Species & Habitat Reserve Funds
Proposed FRE/Airport Levee Project & Final EISs	\$1,850,000	2021-23 Flood Damage Reduction Reserve Funds
Local Flood Authority Projects (China Creek flood & fish, Mill Creek, Berwick Creek, China Creek gage)	\$778,000	2021-23 Flood Damage Reduction Reserve Funds
Port of Grays Harbor Haul Road Short-Term Erosion Management	\$400,000	2021-23 Flood Damage Reduction Reserve Funds
Other Flood Authority, LAND, or CFAR projects TBD	\$4,145,000	2021-23 Flood Damage Reduction Reserve Funds
Fry Creek Pump Station	\$2,500,000	Unobligated 2019-21 Funds
Haul Road Reach-Scale Erosion Management Design	\$150,000	Unobligated 2019-21 Funds
SR 508 Lewis County Erosion Management Project	\$150,000	Unobligated 2019-21 Funds
Chehalis Basin Stream Gage Master Plan Update	\$75,000	Unobligated 2019-21 Funds
Targeted Outreach & Participation Funding for Underserved Populations	\$50,000	Unobligated 2019-21 Funds

Next Steps

At the July 7 Board meeting, the Board will be asked to make a decision regarding release of 2021-2023 flood damage reduction and aquatic species restoration reserve funds and a continued approach for allocating unobligated 2019-21 funds.