

MEMORANDUM

Date: September 28, 2018
To: Chehalis Basin Board
From: Andrea McNamara Doyle, Office of Chehalis Basin (OCB) Director
Re: Chehalis Basin Board 2019-2021 Budget Recommendations

At the October 4 Board meeting, you will be reviewing final draft 2019-2021 Capital Budget recommendation options for possible approval and submittal to the Governor. This memorandum provides a summary of the updated draft budget recommendation options and information on what would be achieved through different work elements at different funding levels.

At the September 6 Board meeting, Board members agreed that:

- \$50M would be minimally sufficient to “aggressively pursue” the mission in 2019-2021, but the Board wanted more information about what additional investment in the ASRP could achieve next biennium before deciding on a final number.
- The 2019-2021 budget should increase overall funding for “on-the-ground” actions and decrease overall funding for advancing the Long-Term Capital Strategy, when compared with the current 2017-2019 budget and in previous biennia.
- OCB staff should provide more information on anticipated outcomes that could be accomplished in 2019-2021 through the different work elements advancing the Long-Term Capital Strategy and near-term, on-the-ground actions.

2019-2021 Budget Options

This section summarizes the final draft 2019-2021 budget options for Board consideration. Budget estimates were developed for all major work elements related to advancing the Long-Term Capital Strategy and near-term, on-the-ground actions. All work elements comprising the 2019-2021 budget request are assumed to be funded from the Capital Budget, except for the “Core OCB staff” that Ecology is requesting to be funded through the Operating Budget (State General Fund). This “level funding” budget option provides the same level of investment of state capital funds in next biennium as is available in the current 2017-2019 biennium (\$50M). The 2017-2019 budget also included an additional \$10M in expenditure authority for federal funds, which have not yet been obtained. The proposed budget elements for the next biennium are summarized in the table below.

Comparison of 2017-2019 Budget and 2019-2021 “Level Funding” Budget

BUDGET ELEMENT	2017-2019 (BUDGETED)	2019-2021 “LEVEL FUNDING”
ADVANCING THE LONG-TERM STRATEGY		
Core OCB Staff	N/A	(Operating) ¹
Overall Participation	\$4.7M	\$4.9M
Development of Long-Term Strategy	\$1.1M	\$600K
Continued Development of ASRP	\$6.3M	\$3.5M
Restorative Flood Protection	\$5.5M	(CFAR) ²
SEPA/NEPA EIS for Flood Retention Facility/Airport Levee	\$12.5M	\$12.5M
Forest Practices Analysis	\$330K	\$445K
<i>Sub-Total</i>	<i>\$30.4M</i>	<i>\$21.9M</i>
ON-THE-GROUND ACTIONS		
ASRP Implementation	\$10M ³	\$16.5M
Aberdeen/Hoquiam North Shore Levee	\$1.5M	\$4.8M
Floodproofing/Floodplain Management-Community Flood Assistance & Resilience (CFAR) Program	\$400K	\$3M
Local Projects	\$7.7M	\$3.8M
<i>Sub-Total</i>	<i>\$19.6M</i>	<i>\$28.1M</i>
TOTAL	\$50M	\$50M

¹ \$1.5M for OCB Core Staff funding is included in Ecology’s Operating Budget request.

² Future funding to address restorative flood protection (RFP) recommendations informed by RFP feasibility study are included in floodproofing and CFAR program.

³ Authorization was also provided to spend an additional \$10M in federal funds, if received.

Beyond the \$50M “level funding” 2019-2021 budget option, OCB staff have developed additional budget options for the Board to consider to more aggressively pursue work on the ASRP, including monitoring to establish baseline habitat conditions and filling critical data gaps, and increased design and construction of on-the-ground ASRP projects. These additions could increase the \$50M 2019-2021 funding request by an additional \$18M. The table below summarizes the potential budget additions.

Potential 2019-2021 Budget Additions Beyond “Level Funding”

BUDGET ELEMENT	2019-2021	ADDITIONAL BUDGET
ADVANCING THE LONG-TERM STRATEGY		
ASRP	Broader suite of monitoring to establish baseline (needed to assess effectiveness of restoration actions implemented in the future), and filling critical data gaps needed to improve effectiveness of ASRP	\$1.85M
ON-THE-GROUND ACTIONS		
ASRP Implementation	Increased design and construction of projects	\$16.15M
TOTAL		\$18M

Advancing the Long-Term Capital Strategy

This section describes the anticipated work to be completed in 2019-2021 for major work elements related to advancing the Long-Term Capital Strategy.

Overall Participation (\$4.9M)

- Agency and tribal staff time needed for overall project management, budget management/administration, attending meetings and workshops, time to engage staff with particular expertise, inter-agency coordination, and coordination with outside agencies.
- Public involvement and outreach for all actions and activities under the Chehalis Basin Strategy.

Development of Long-Term Strategy (\$600K)

- Develop long-term strategy assessment report to inform the Chehalis Basin Board's deliberations on a long-term Chehalis Basin Strategy for funding and implementation.

Continued Development of ASRP (\$3.5M – \$5.3M)

- Continued participation and coordination of the ASRP Steering Committee and Science Review Team.
- Conduct public review of the ASRP and revise based on public comments and direction from the Chehalis Basin Board and ASRP Steering Committee
- Prepare a detailed near-term implementation plan.
- Refine models informing the ASRP
- Conduct pre-construction baseline monitoring to address critical data gaps needed to improve effectiveness of ASRP actions:
 - Smolt production
 - Native fish occupancy
 - Abundance/distribution of chum salmon
- Develop post-construction monitoring and adaptive management plan.

If the Board decides to more aggressively pursue continued development of the ASRP beyond the \$50M “level funding” budget request, the following could be accomplished:

- Conduct broader suite of pre-construction baseline monitoring to fill critical data gaps needed to improve effectiveness of ASRP actions, including:
 - Spawner abundance
 - Ecology of non-native fish
 - Western ridge mussels
 - Habitat survey spot checks
 - Beaver occupancy and distribution

SEPA/NEPA EIS for Flood Retention Facility/Airport Levee (\$11.8M)

- Complete draft and final project-level EISs under SEPA and NEPA and identify preliminary mitigation requirements.
- Complete baseline and pre-construction monitoring needs specific to water quality, and salmon and other aquatic species.
- Complete Doty Hills Fault study.
- Continue staffing support for Chehalis River Basin Flood Control Zone District and US Army Corps of Engineers.

Forest Practices Analysis (\$445K)

- Complete second phase evaluating the relationship between contemporary forest practices and streamflow in the Basin.

Near-Term On-the-Ground Actions

This section describes the anticipated work to be completed in 2019-2021 for major work elements related to near-term, on-the-ground actions.

ASRP Implementation (\$16.5M - \$32.6M)

- Construct 3-5 early-action reach sub-basin projects. A range of options are available at different levels of investment, with the low end of the range allowing for construction of portions of three reaches, and the high end of the range allowing for complete construction of all five early-action reaches.
- Construct next phase of barrier removal design/construction projects.
- Continue landowner outreach, and associated agency and contractor staffing needs, including the US Army Corps of Engineers.
- Implement targeted native aquatic species actions.
- Design 2-5 new reach scale projects.
- Permanently conserve key parcels within the reach-scale project sites through acquisition or easements.

Aberdeen/Hoquiam North Shore Levee (\$4.8M)

- Complete right-of-way property acquisition and permit fees associated with North Shore Levee construction.
- Construct new pump station for Aberdeen Fry Creek Restoration & Flood Reduction project.

Floodproofing/Floodplain Management – Community Flood Assistance and Resilience (CFAR) Program (\$3.0)

- Begin implementation of CFAR Program developed in 2017-19 to provide technical assistance and coordination with local governments and landowners on community flood assistance and resilience program and land use management improvements.
- Provide funds to local jurisdictions for priority property protection actions that are consistent with locally adopted flood damage reduction strategies.
- Incorporate channel migration zone and high hazard area assessments within the scope and budget directed by the Board.

Local Projects (\$3.8)

- Design and construction of high-ranking qualified Flood Authority 2019-2021 project submittals. This amount provides for the original estimate from the Flood Authority; the Flood Authority's current proposal is \$600K more to fund a total of 7 projects.

Board Direction & Decision

At the October 4 meeting, staff will provide additional information about the budget elements and cost estimates summarized in this memo and will be asking for the Board's final approval of a 2019-2021 budget recommendation. OCB staff will be asking for direction on the following issues to determine the Board's final recommendation:

- At the \$50M "level funding" option, is the distribution among the anticipated work elements for next biennium consistent with the Board's priorities for advancing the Long-Term Capital Strategy and near-term, on-the-ground actions?
- Does the Board want to recommend additional funding above the \$50M level in order to more aggressively pursue implementation of habitat projects?
- Does the Board want to increase the request for design and construction of high-ranking Flood Authority 2019-2021 project submittals by \$600,000, from the Flood Authority's original estimate for the top three projects to a revised list that would fund a total of seven projects?

Next Steps

Per the Board's direction at the October 4 meeting, OCB staff will prepare a memo summarizing the Board's final 2019-2021 budget recommendations for submittal to the Governor. The OCB Director will brief OFM and legislative staff on the Board's final budget recommendations and work with the Governor's staff to arrange a meeting for a delegation of Board members to brief the Governor on the Board's recommendation.