



Chehalis Basin Strategy 2019-2021 Budget Development

Chehalis Basin Board Meeting
September 6, 2018

Overview

- Reminder of budget assumptions and process
- Updates from July Board meeting
 - ✓ 2017-2019 re-appropriation estimates
 - ✓ Range of options for 2019-2021
 - ✓ Future biennium estimates
- Comparison of 2017-19 budget and range of options for 2019-21
- Questions for Board
- Next steps

Legislative Direction

“The board is responsible for...developing biennial and supplemental budget recommendations to the governor.”

RCW 43.21A.731(6)

“For administrative purposes, the board is located within the department.”

RCW 43.21A.731(3)

Budget Timeline

SEPTEMBER

- Sep 6: Board reviews *draft* budget recommendations
- Sep 20: Flood Authority adopts recommended prioritized list of local projects

OCTOBER

- Oct 2: ECY briefs OFM Director re: all ECY budget decision packages
- Oct 4: Board approves *final* 2019-2021 Capital Budget recommendations for submittal to Governor
- After Oct 4: OCB Director briefs OFM & Legislative staff on Board's recommendations

2019-2021 Budget Assumptions

- Budget development now led by OCB/Board using ECY's process & timelines
- Continued Board support for a mix of “on-the-ground” actions and determined long-term strategy activities
- Funding for core OCB staff shifts from Capital to Operating Budget request

July 12 Board Meeting

Board members requested OCB Staff to:

- Refine estimates of 2017-19 carryover funds
- Prepare a range of investment options for 2019-21 biennial budget request
- Develop draft budget estimates for implementation of Long-Term Strategy beyond 2019-2021 biennium

July 12 Board Meeting

Board members guidance to Staff-- 2019-21 budget proposal should:

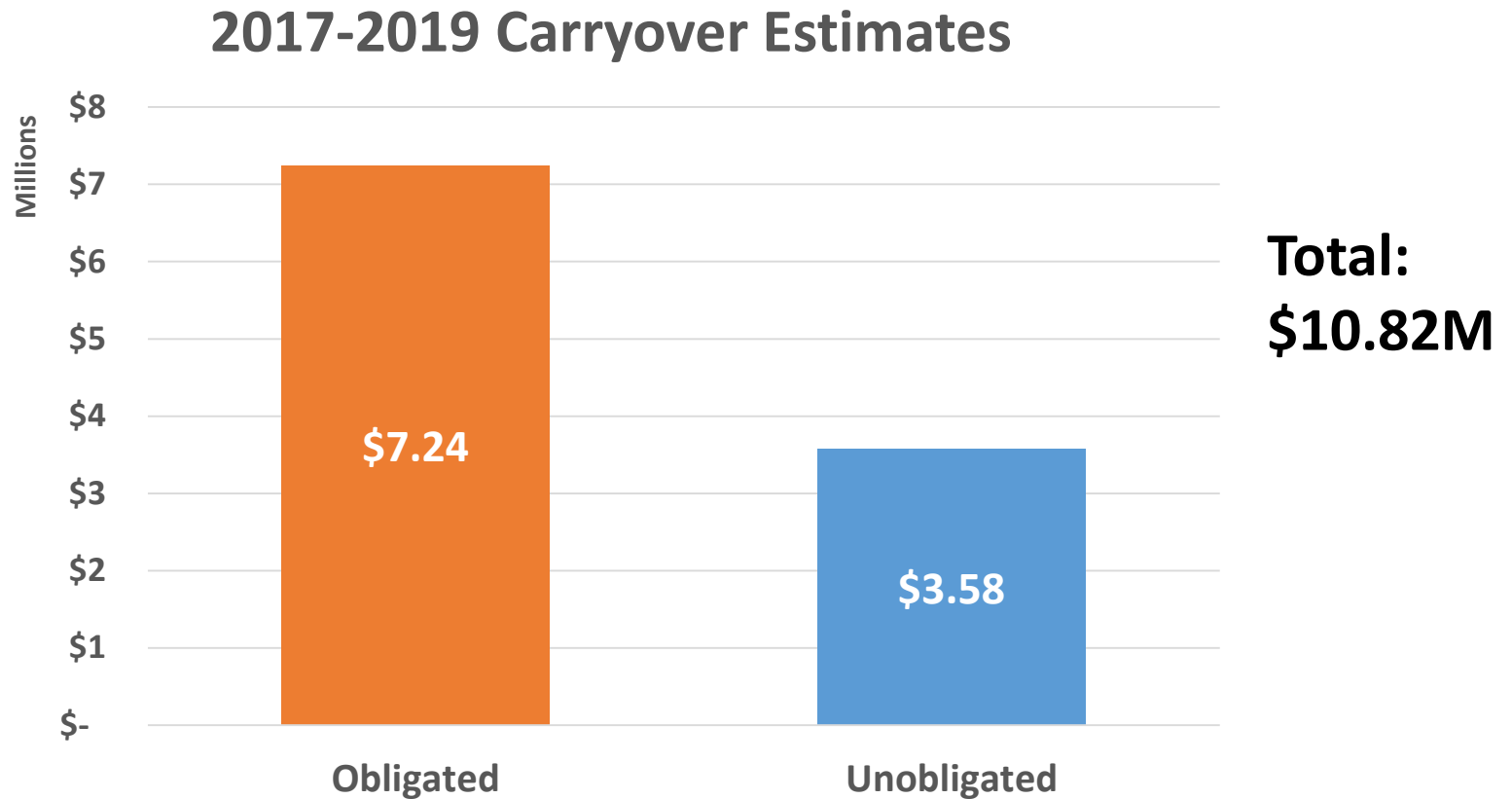
- Invest more in on-the-ground projects than in previous biennia (both in \$ and % of overall funding)
- Increase funding for ASRP projects, including reach scale construction
- Dedicate significant funds to floodproofing projects
- Fund local flood projects and North Shore Levee at a similar level as the current biennium

2017-2019 Carryover Estimates

Unspent funds largely the result of delay in passage of 2017-2019 capital budget, which led to:

- Missing seasonal construction windows for barrier removal projects
- Delay in finalizing SEPA/NEPA EIS schedule & agreements
- Delay in completing long-term strategy assessment
- Delay in OCB hiring and finalizing overall participation contracts with other agencies & tribes

Re-Appropriations, cont.



On-the-Ground Actions in 2019-21

Habitat Restoration

Construction:

- Early Action Reaches
- Rapid Reach Scale Actions
- Existing Barrier Correction Designs
- Targeted Native Aquatic Species Actions

Design:

- Additional Reach Scale Projects & Barrier Corrections

Acquisitions/Easements

Flood Damage Reduction

Construction:

- Floodproofing Projects (elevations, farm pads)
- Local Projects
- Aberdeen-Hoquiam North Shore Drainage Improvements

Design:

- *Additional Floodproofing and Local Projects*

Acquisitions/Easements:

- *Floodproofing (buyouts)*

Advancing the Long-Term Strategy in 2019-21

Habitat Restoration

- Refine Models & Complete Baseline Monitoring
- Complete Final ASRP, including Detailed Near-Term Implementation Plan
- Develop Post-Construction Monitoring & Adaptive Management Plan



Flood Damage Reduction

- Complete SEPA/NEPA EIS for Dam/Airport Levee
- Complete Preparation of Flood Proofing Program, including Near-Term Implementation Plan
- Continue Forest Practices Study







- Finalize Long-Term Strategy Document
- Continue Overall Participation by Agencies & Tribes (staff & consultants)

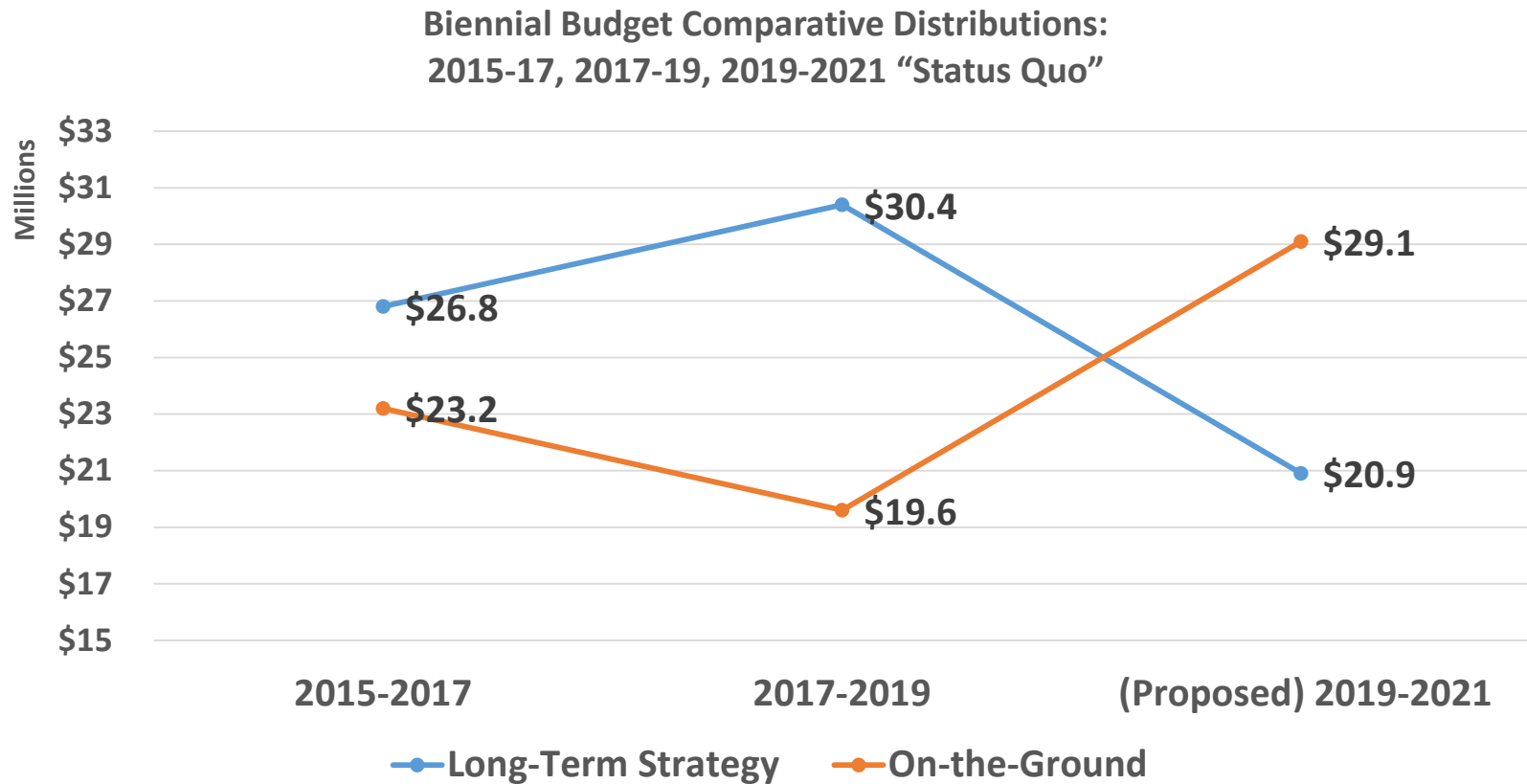
2019-2021 Budget Options

- “Status Quo” Funding Level: **\$50 Million**
 - Same level of funding as 2017-19, but with different distribution of feasibility analyses relative to pre-construction & construction actions
- Increased Funding up to: **~\$98.7 Million**
 - Based on Board’s priorities for ASRP, EIS, local projects, & North Shore Levee

2019-21 "SQ" Budget Differences from 2017-19




- 34%  in total funding for “on-the-ground” projects
 \$10M, from \$19.6M to \$29.1M
- 33%  in total funding for advancing long-term strategy
 \$10M, from \$30.4M to \$20.9M

Biennial Budget Comparison

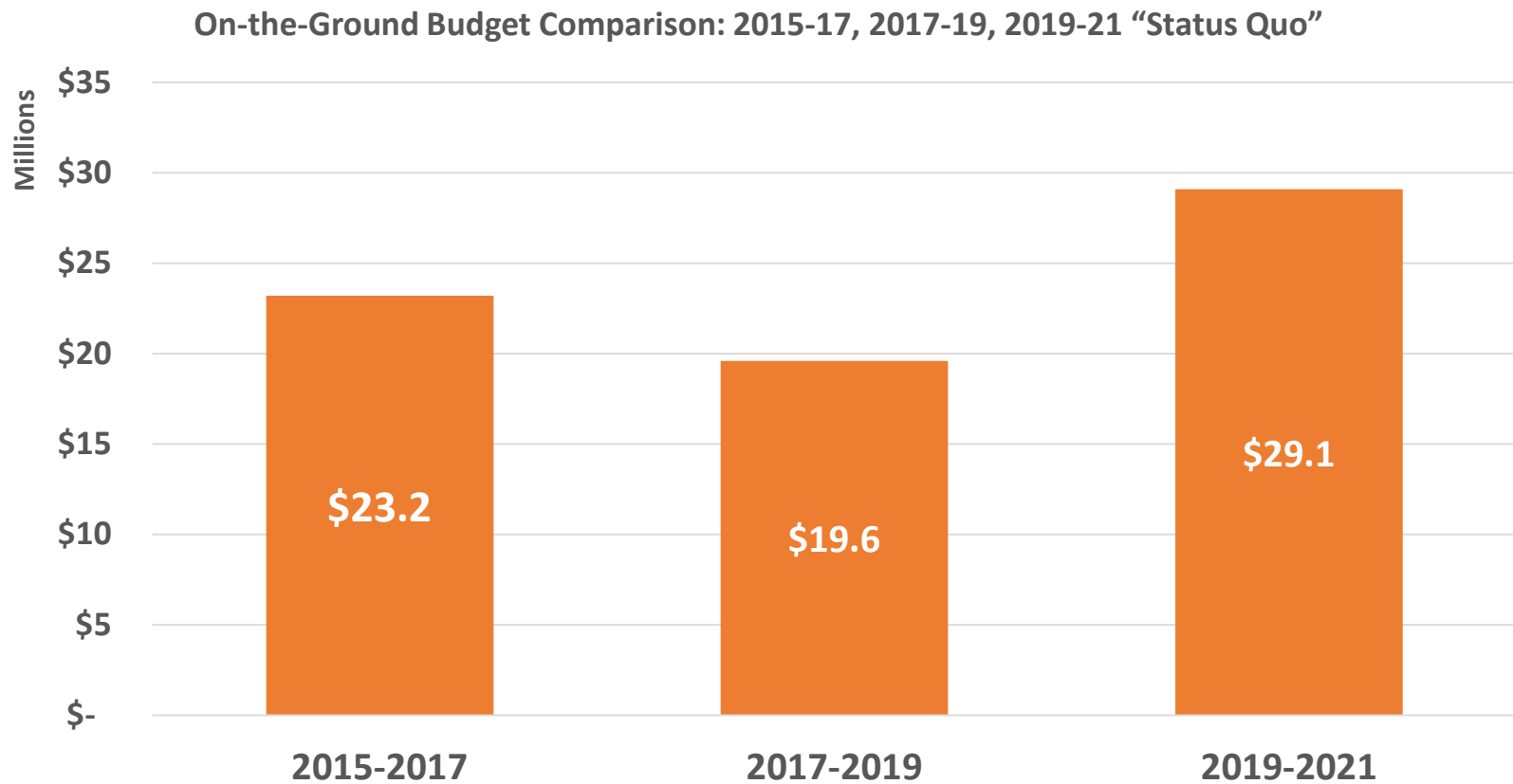


Proposed Increases from 2017-19

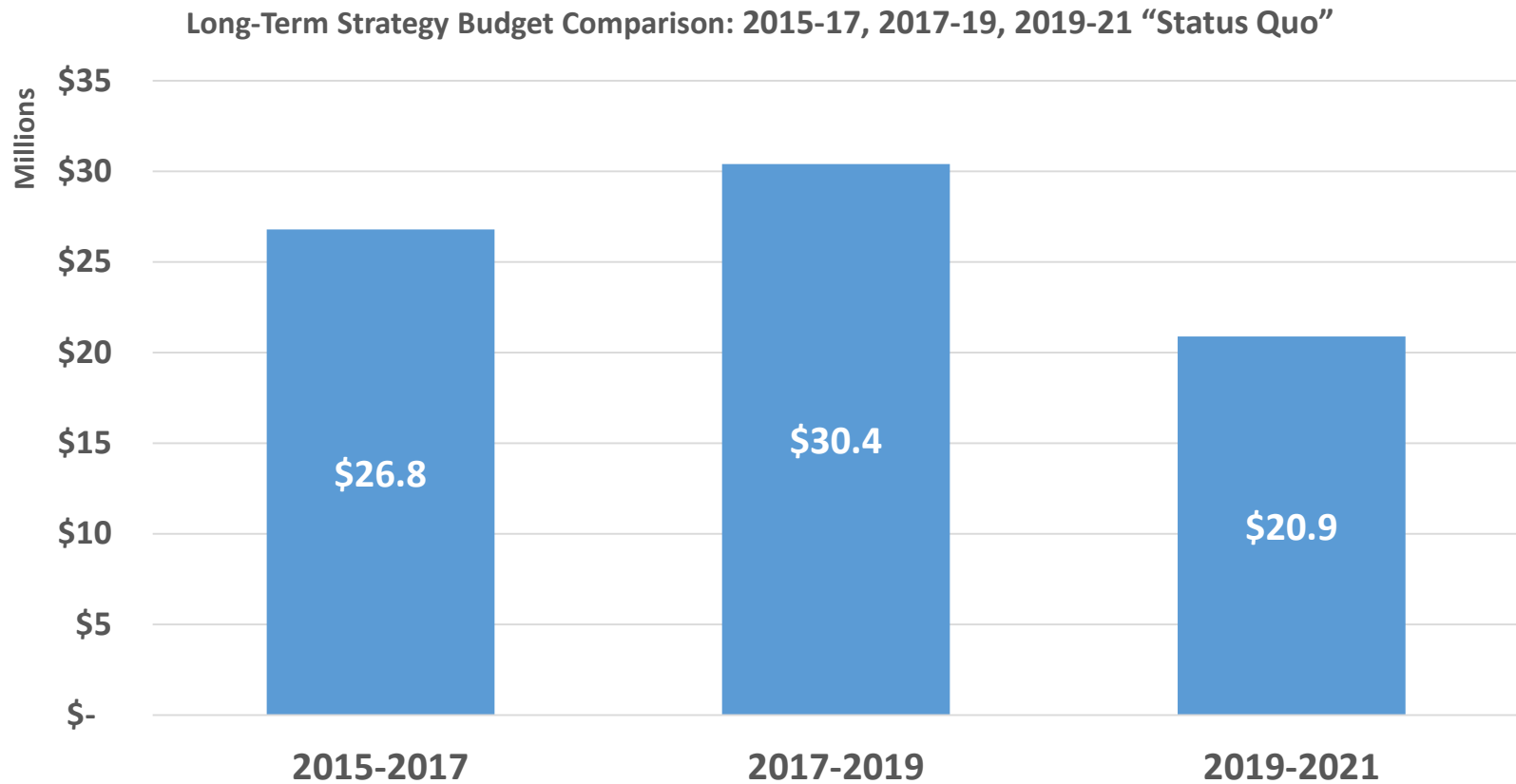
Increase funding for “on-the-ground” projects:

-  funding for ASRP projects, including reach scale construction and continued design
-  funding for floodproofing program
-  funding for Aberdeen/Hoquiam North Shore Levee

Budget Comparison: On-the-Ground Actions



Budget Comparison: Long-Term Strategy



2017-19 and 2019-21 Summary of \$50M Budget Elements

BUDGET ELEMENT	2017-2019 (BUDGETED)	2019-2021
ADVANCING THE LONG-TERM STRATEGY		
Core OCB Staff	N/A	(Operating)
Overall Participation	\$4.7	\$4.9M
Development of Long-Term Strategy	\$1.1M	\$600K
ASRP Management and Analyses	\$6.3M	\$3.4M
Restorative Flood Protection	\$5.5M	N/A
SEPA/NEPA EIS for Dam/Airport Levee	\$12.5M	\$11.5
Forest Practices Study	\$330K	\$445K
<i>Sub-Total</i>	<i>\$30.4M</i>	<i>\$20.9M</i>
ON-THE-GROUND ACTIONS		
ASRP Implementation	\$10M	\$17.2M
Aberdeen/Hoquiam North Shore Levee	\$1.5M	\$2.3M
Floodproofing (buyouts, elevation, farm pads)	\$400K	\$3.3M
Local Projects	\$7.7M	\$6.3M
<i>Sub-Total</i>	<i>\$19.6M</i>	<i>\$29.1M</i>
TOTAL	\$50M	\$50M

SQ for Local Projects in 2019-21

- Initial highest-ranked local projects from Local Project Reviewers Group \$6.3M
- Recent top-tier local projects from Flood Authority (currently under OCB consideration) \$8.1M

SQ for N. Shore Levee 2019-21

A similar amount for Aberdeen/Hoquiam North Shore Levee next biennium would support:

- Property Acquisition and Permit Fees \$2.3M
 - Fry Creek Restoration Phase 2B \$3.0M*
- Total: \$5.3M

**from Local Projects funding*

Status Quo for ASRP in 2019-21

Status Quo Budget Assumptions for ASRP

- Attempted to match ASRP 2017-19 funding level
- Prioritize on the ground restoration actions (Board's request)
- Prioritize construction of reach scale designs (ecological process based restoration)

Status Quo for ASRP

• Construction:	\$14M
○ Reach scale restoration projects designed in 2017-19	
• Completely construct ~3 reaches out of 5; OR Construct parts of all 5 reach in design; OR Combination	
○ Rapid reach scale actions	
○ Existing barriers designs	\$1.4M
• Staffing: Participation + RCO	\$2.2M
• ASRP Development:	\$1.1M
• Monitoring:	<u>\$1.9M</u>
Total:	\$20.6M

Options to More Aggressively Pursue On-the-Ground Actions

WORK ELEMENT	OPTIONS	BUDGET
Local Flood Authority Projects	Fund full list of local project proposals ranked by Flood Authority	\$3.7M
North Shore Levee	Fund additional 25% - 50% of work on conveyance upgrades and pump stations	\$6.3 – 12.5M
ASRP Implementation	Fund increased construction and/or additional design of projects	\$16 – 29M
TOTAL		\$26 – 45.2M

Full List of Local Projects

Up to 13 more local projects available on Flood Authority's 2019-2021 local project list:

- 7 Planning/Study Projects ~\$1.6M
 - 6 Construction Projects ~\$2.1M
- Total: +\$3.7M

More for North Shore Levee

Option to seek more for North Shore Levee

- 25% - 50% of Work on Drainage
Conveyance Upgrades and Pump Stations

Total +\$6.3 – \$12.M

Options to More Aggressively Pursue Long-Term Strategy

WORK ELEMENT	OPTIONS	BUDGET
ASRP	Increase post-construction monitoring to assess effectiveness of restoration actions; and/or Fill critical data gaps needed to improve effectiveness of ASRP	\$2.4 – 3.2M
EIS/Dam Design	Fund additional DNR staff needed to complete Doty Hills study more quickly	\$300K
TOTAL		\$2.7 – 3.5M

ASRP Critical Data Gaps

- Efforts to improve the effectiveness of ASRP restoration actions
- Focused on key gaps in understanding that have been identified:
 - Impact and future distribution of exotic fish species on salmon and other native species
 - Abundance and distribution of chum salmon
 - Physical characteristics that drive the upper extent of salmon in the basin

Moderate Level Funding for ASRP

• Construction of reach scale designs:	\$23M
○ Reach scale restoration designs	
• Completely construct all designs (5 reaches)	
○ Rapid reach scale actions	
• Construct existing barriers designs:	\$3.0M
• Native Aquatic Species:	\$1.2M
• Staffing: Project & RCO:	\$1.4M + \$1.9M
• ASRP Development:	\$1.1M
• Monitoring:	\$1.6M
• Data Gaps:	<u>\$1.0M</u>
Total Cost:	\$36.2M

Full Funding for ASRP

• Construction of reach scale designs:	\$23M
○ Reach scale restoration designs	
• Completely construct all designs (5 reaches)	
○ Rapid reach scale actions	
• Designs for 10 new reach scale projects	\$6.0M
• Barrier removal	\$6.0M
• Native Aquatic Species	\$1.2M
• Acquisitions / Easements	\$4.0M
• Staffing: Project + RCO Admin	\$2.7M + \$2.6M
• ASRP Development	\$1.1M
• Monitoring & Data Gaps	<u>\$3.4M</u>
Total Cost: \$50.3M	

Questions for Board

- Is the draft \$50M funding allocation between the Long-Term Strategy & On-the-Ground projects consistent with the Board's priorities for next biennium?
- Is \$50M sufficient to “aggressively pursue” mission in 2019-21?
- If not, what are the Board's priorities for investments beyond the \$50M SQ funding scenario?
- How much does the Board want to invest in funding the next phase of the North Shore Levee and implementing ASRP projects (relative to other sources that are potentially available to project sponsors)?

Future Biennium Budget Projections

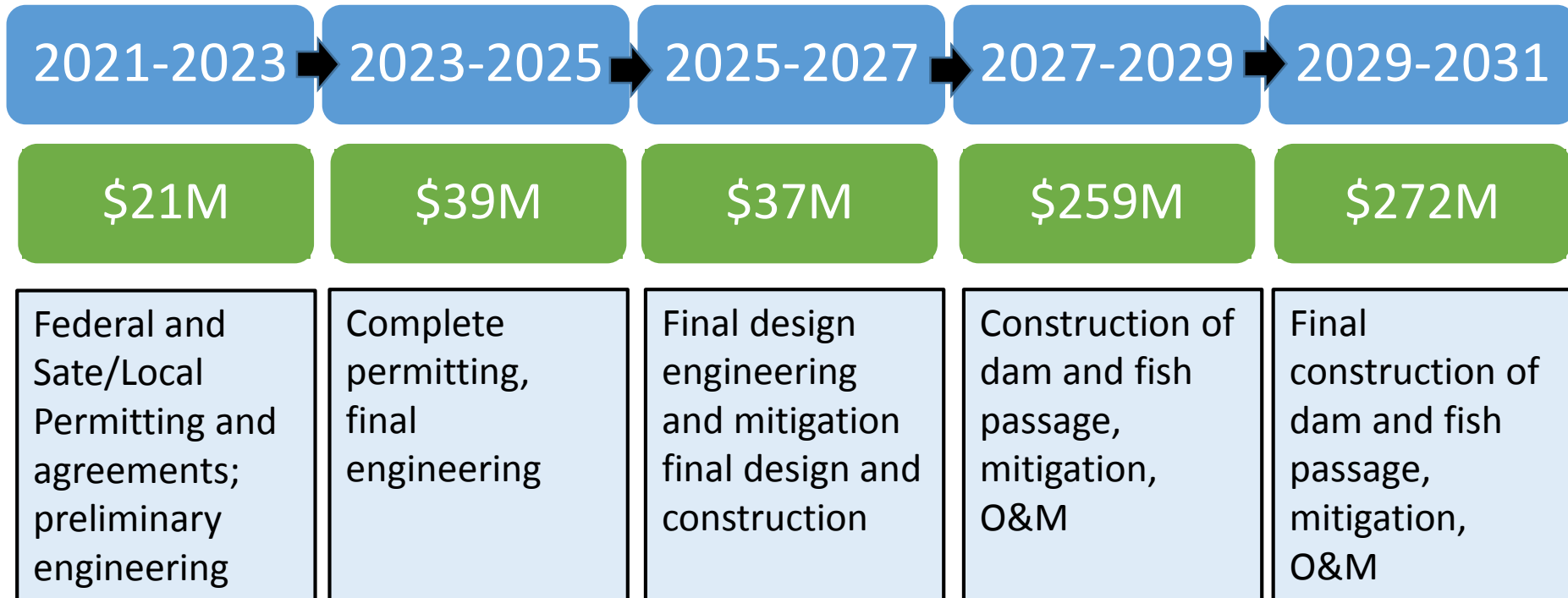
Assuming:

- Overall participation budget remains constant
- ASRP restoration projects are fully funded at ~\$77M each biennium
- Floodproofing and local projects continue on a comparable scale and pace as currently anticipated
- 50% of remaining North Shore Levee total costs are funded
- The Board recommends a dam be part of the long-term capital strategy and it is approved, permitted, and constructed by 2031

ASRP in Future Biennium

- ~\$77M/biennium through 2031-2033 = more than 200 miles of restored habitat
- ASRP Restoration Projects, include:
 - Construction
 - Design
 - Targeted Native Aquatic Species Projects
 - Acquisitions/Easements
 - Implementation / Permitting Staffing
 - RCO Management Costs

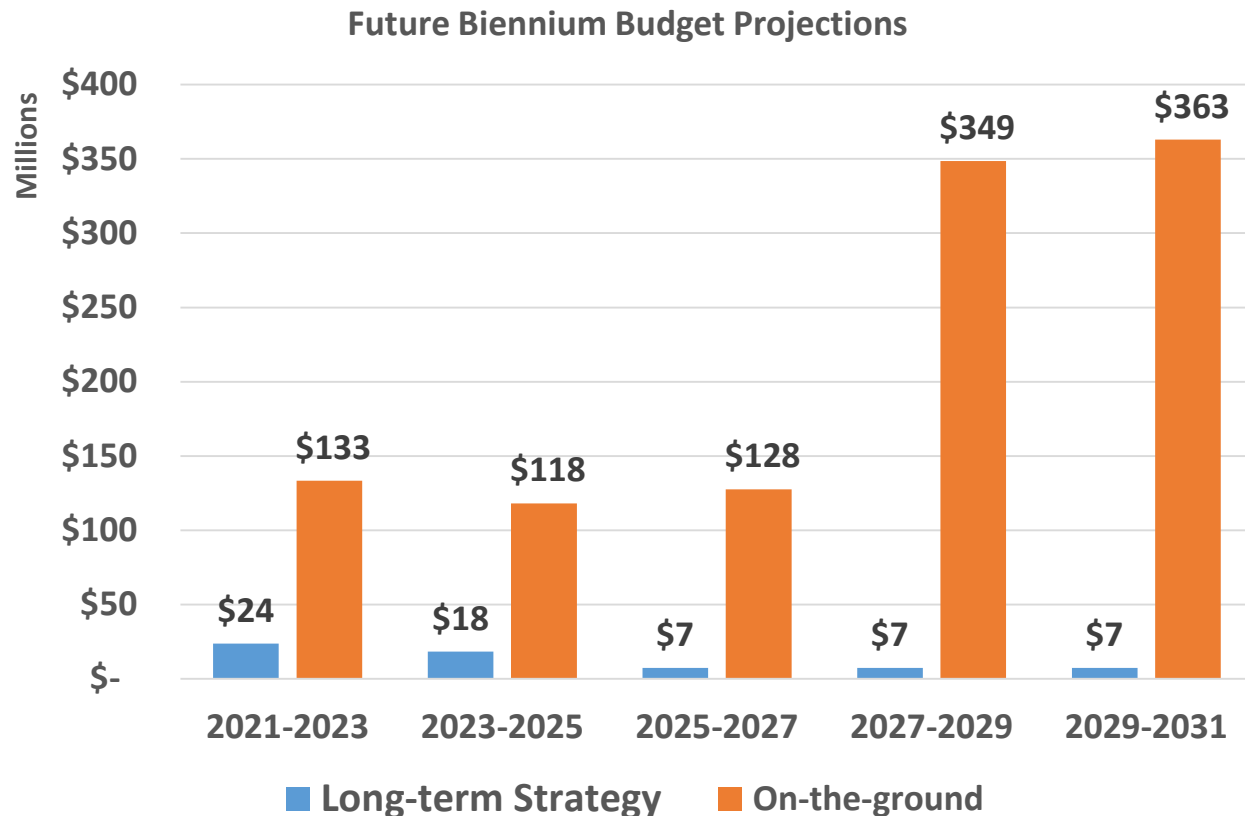
Dam Construction Budget/Timeline



Future Biennium Budget Projections

WORK ELEMENT	2021- 2023	2023- 2025	2025- 2027	2027- 2029	2029- 2031	TOTAL
Long-term Strategy						
Sub-total	\$23.6M	\$18.2M	\$7.3M	\$7.3M	\$7.3M	\$63.7M
On-the-ground						
Sub-total	\$133.3M	\$118.1M	\$127.5M	\$348.5M	\$363M	\$1.09B
Grand Total	\$157M	\$136.3M	\$134.8M	\$355.8M	\$370.2M	\$1.15B

Future Biennium Budget Projections






Next Steps

- Staff will revise & update recommendations per Board's direction
- Oct 2: ECY Execs briefs OFM Director on ECY Decision Packages, including OCB request
- Oct 4: Board approves *final* 2019-2021 Capital Budget recommendations for submittal to Governor
- OCB Director briefs OFM & Legislative staff on Board's final budget recommendations
- Does Board want OCB Director or Board Member(s) to brief Governor?

Extra Slides

Proposed Decreases from 2017-19

Decrease funding for advancing long-term strategy:

-  funding for completing Draft/Final NEPA and SEPA EISs
-  funding for ASRP management & analyses
-  funding for Restorative Flood Protection