

MEMORANDUM

Date: February 7, 2018
To: Chehalis Basin Board
From: Chrissy Bailey, Office of Chehalis Basin, Department of Ecology
Re: Chehalis Basin Strategy: Status of 2017-2019 Work Plan and budget

Background

This memorandum was developed to accompany the updated *Chehalis Basin Board – 2017-2019 Biennium Road Map*, and summarizes the current status of the 2017-2019 Chehalis Basin Strategy budget. The State Legislature recently passed a 2017-2019 capital budget that included \$50 million in state funds for the Chehalis Basin Strategy, and authority to spend up to an additional \$10 million in federal funding for aquatic species habitat restoration projects. This budget appropriation mirrors the Governor’s Chehalis Basin Strategy 2017-2019 budget recommendation, which included \$30.4 million in state funds to advance the long-term strategy for an integrated approach to reduce flood damage and restore aquatic species habitat, \$9.6 million in state funds for design and construction of local flood damage reduction projects, and \$20 million (\$10 million state and \$10 million federal funds) to be used for design and construction of aquatic species habitat restoration projects.

During the capital budget delay, the Board decided to sustain a critical path forward on most of the major elements of the 2017-2019 Chehalis Basin Strategy work program through February 2018 by repurposing carryover funds from the 2015-2017 biennium. Now that a capital budget has passed, active 2015-2017 contracts that had funding de-obligated to sustain work on the 2017-2019 work plan will have their contract funds re-obligated. Other unspent or unallocated 2015-2017 funds will be used to advance the 2017-2019 work plan for the same purpose they were originally intended for, i.e., either advancing the long-term strategy or on-the-ground projects. The Board’s decision to sustain work during the capital budget delay made it possible to retain experienced personnel and make enough progress that agencies, contractors, and tribal partners are in a good position to ramp up quickly and move forward with the 2017-2019 work plan at the pace originally intended.

Current Work Plan and Budget Status

Because of the capital budget delay, major work elements are now estimated to be completed later than originally anticipated. These changes put the timing for the Board to develop recommendations on a long-term strategy out into the 2019-2021 biennium (see accompanying *Chehalis Basin Board – 2017-2019 Road Map*, February 2018 draft, for details).

The Draft project-level EIS for the dam and airport levee was originally anticipated to be available in January 2019. Currently, it is assumed that the Draft EIS would be released in January 2020; the US

Army Corps of Engineers has not committed to this schedule and cannot until a WRRDA 214 agreement is in place and they have hired a dedicated project manager. Anchor QEA, the state's contractor for the project-level EIS, estimates \$2.5 million of their total 2017-2019 budget for the EIS task will carry forward into the 2019-2021 biennium and allow for completion of a Draft, but not Final EIS. Contractors and other entities that will be engaging in the EIS process, such as the Washington Department of Fish and Wildlife (WDFW), Department of Ecology, Quinault Indian Nation, and Chehalis Tribe will need additional budget in the 2019-2021 biennium to complete the Final EIS. Additional funds may be needed in this biennium for the EIS task depending on the alternatives determined through the scoping process.

The preliminary design for the Newaukum sub-basin for the restorative flood protection action was originally anticipated to be complete in June 2019. Currently, it is assumed that preliminary design for the Newaukum sub-basin would not be complete until January 2020. The schedule still assumes that the Chehalis Basin Board will make a yes/no decision in fall 2018 on whether Natural Systems Design (NSD), the state's contractor for the restorative flood protection action, should move from conceptual to preliminary design in the Newaukum sub-basin. If the Board decides to pursue preliminary design, NSD estimates \$1 million of their total 2017-2019 budget will carry forward into the 2019-2021 biennium to complete the design work.

The full draft of the Aquatic Species Restoration Plan (ASRP) was originally anticipated to be complete in summer 2018. Currently, it is assumed the full draft of the ASRP would not be complete until late spring 2019. As previously discussed with the Board, substantial technical and policy work is needed over most of the 2017-2019 biennium to develop the ASRP and to garner support from the tribes, state, and key stakeholders. Agencies, tribes, and contractors working on development of the ASRP do not estimate any of their 2017-2019 budget carrying over into the 2019-2021 biennium. Data collection, research, and analyses for salmonids and other aquatic species that will inform the ASRP are also still on schedule to be completed as originally anticipated this biennium.

Summary

The major work plan elements and tasks outlined in the Governor's 2017-2019 budget recommendation are being pursued, including the division of funds between advancing the long-term strategy (~\$30.4 million) and design/construction of local flood damage reduction and habitat restoration projects (~\$29.6 million). However, the timing for delivery or completion of most of the major work elements is later than originally anticipated due to the delay in passing a capital budget. For the 2019-2021 biennium, there will be a need to request additional funds to complete work required for the Board to develop its recommendations on a long-term strategy.