

2022 BOARD BUDGET CHECK-INS

Date: October 28, 2021
To: Chehalis Basin Board Members
From: Andrea McNamara Doyle, Director, Office of Chehalis Basin
Re: Timing and approach for 2022 Board budget check-ins

Background

During the Chehalis Basin Board's 2021-23 biennium budget deliberations, you agreed to conduct check-in(s) during 2022 to assess spending and progress to date on all Chehalis Basin Strategy 2021-23 activities:

- To compare actual spending against projections
- To evaluate progress on near-term work plans and deliverables
- To authorize new work/specific projects not included in current budget spending plan
- To make other modifications to the spending plan

This memorandum was developed to provide preliminary staff recommendations regarding the timing and approach for check-ins on biennial spending and progress during 2022. At the November 4 Board meeting, I will be asking for your feedback and guidance to ensure staff's recommended approach to managing the Board's spending plan aligns with Board member expectations.

Budget Summary

The final Board approved 2021-23 Capital Budget includes \$70 million. Table 1 below includes budget allocations for the Aquatic Species Habitat Restoration, Flood Damage Reduction, Integrated, and Administrative/Operations elements of the budget.

Table 1: Board Approved 2021-23 Biennium Budget

BUDGET ELEMENT	2021-2023 (IN MILLIONS)
AQUATIC SPECIES HABITAT RESTORATION	
New Projects	\$20.65
Implementation Support	\$6.20
Program Participation	\$4.20
All-H (Habitat, Harvest, Hatcheries, Hydropower) and Predation Integration	\$0.10
<i>Sub-Total</i>	<i>\$30.87</i>
FLOOD DAMAGE REDUCTION	

Local Actions Non-Dam Alternative (LAND) & Comprehensive Basin-Wide Flood Damage Reduction Road Map	\$3.26
Flood Retention Facility and Airport Levee Improvements	\$10.53
Flood Damage Reduction Unobligated Reserve	\$8.53
Aberdeen/Hoquiam North Shore Levee	\$4.00
Flood Authority Local Projects	\$4.05
Community Floodplain Assistance & Resilience Program (CFAR)	\$0.50
<i>Sub-Total</i>	<i>\$30.87</i>
INTEGRATED PROJECTS AND PROGRAMS	
Hyporheic Exchange Enhancement Demonstration Project	\$0.56
Skookumchuck Dam Analysis	\$0.45
Erosion Management	\$0.32
Floodplain Acquisition Program & Land Use Recommendations	\$0.60
Community Outreach/ Engagement	\$0.30
State, Tribal, and Local Agency Program Participation	\$2.13
<i>Sub-Total</i>	<i>\$4.36</i>
MANAGEMENT, COORDINATION, AND ADMINISTRATION OF STRATEGY	
Core OCB and Chehalis Basin Board Operations and Staffing	\$3.90
TOTAL	\$70.00

For Aquatic Species Habitat Restoration funding, you agreed that \$8.53M of the \$30.87M should stay reserved as unobligated until 2022 Board check-in(s). For Flood Damage Reduction funding, you also agreed that \$8.53M should stay reserved as unobligated, with \$2M of that \$8.53M available as contingency for the FRE/Airport Levee budget line item to be obligated by me (OCB Director) only for unforeseen costs associated with completing the final SEPA & NEPA EISs. You agreed to allocate the remaining unobligated Flood Damage Reduction reserve based on 2022 check-in(s).

Proposed Timing and Approach for 2022 Check-ins

This 2021-2023 Capital Budget spending plan for the Chehalis Basin Strategy is based on the Board's approved priorities, noted conditions approved along with the budget allocations, and other recommendations. In the event material changes to the above allocations, or new work elements, are needed during the biennium to advance the Aquatic Species Habitat Restoration (e.g., new project identification), Flood Damage Reduction (e.g., changes in cost/scope due to unanticipated requirements for the NEPA or SEPA EISs, or revised costs estimates for development of the Local Actions Non-Dam (LAND) alternative), or Integrated projects and programs, I will apprise the Board. Board approval will be obtained prior to any action that would change the overall allocation between Aquatic Species Habitat Restoration, Flood Damage Reduction, Integrated, and Administrative/Operations elements of

the budget, or that would redirect funds in a manner that would prevent achieving the above-identified priorities.

Staff recommends the Board check-in on the *overall spending plan* at your July and December 2022 meetings:

- To compare actual spending against projections
- To evaluate progress on near-term work plans and deliverables
- To authorize new work/specific projects not included in current plan
- To make other modifications to the spending plan

In addition, staff recommends the Board receive more detailed updates on major work elements (e.g., ASRP, all-H and Predation integration, proposed flood retention facility/airport levee, Local Actions Non-Dam Alternative (LAND), Skookumchuck dam analysis, etc.) periodically throughout 2022. These work element updates will be an opportunity to go into a greater level of detail for each work element regarding spending, project progress and related deliverables, and potential modifications for each work element than can be provided during the twice-yearly check-ins on the overall spending plan.

Next Steps

At your November meeting, Board members will have an opportunity to discuss and provide preliminary direction on the timing and approach for check-ins on biennial spending and progress during 2022. Staff will ask for your feedback and direction regarding:

- Whether you agree that Board approval should be obtained prior to any action that would change the overall allocation between Aquatic Species Habitat Restoration (\$30.87M), Flood Damage Reduction (\$30.87M), Integrated (\$4.36M), and Administrative/Operations elements (\$3.9M) of the budget?
- Whether you agree the OCB Director should have the delegated ability to adjust allocations **within** each of these four major categories, with notice to the Board, in the event material changes or new work elements are needed during the biennium to advance the Aquatic Species Habitat Restoration (e.g., new project identification), Flood Damage Reduction (e.g., changes in cost/scope due to unanticipated requirements for the NEPA or SEPA EISs, or revised costs estimates for development of the Local Actions Non-Dam (LAND) alternative), or Integrated projects and programs.
- Do July and December 2022 seem like the right times for board review of projected versus actual spending of 2021-2022 biennium funds for all major work elements?
- Any priorities you may have for which work elements you would like more/less frequent progress reports on.