



May 20, 2020

TO: Flood Authority Members
FROM: Scott Boettcher, Staff
SUBJECT: Positive Local Projects Fund Balance

Purpose of this memo is to discuss a proposal to use a preliminary local projects positive fund balance to cover unfunded project needs for two existing local projects. We'll discuss this at tomorrow's Flood Authority meeting. Please call or email with questions (360/480-6600, scottb@sbgh-partners.com).

A. Background/Proposal

1. Currently there exists a preliminary local projects positive fund balance of \$236,525.45. Note: This covers both "Old" 2017-2019 funds and "New" 2019-21 funds that RCO manages on behalf of the Office of Chehalis Basin and the overall Chehalis Basin Strategy.
2. Two existing local projects currently have outstanding unfunded local project needs. These are:
 - a. Flood Authority Rain Gages – The cost to relocate 2020, 2021 and 2022 rain gages this summer (6 gages) is \$37,344.40 (see relocation memo here from last Flood Authority meeting https://www.ezview.wa.gov/Portals/_1492/images/ChehalisGageRelocation_20200410.pdf).
 - b. China Creek (Phase I) – The cost to make Centralia whole (and to square with State Auditors) for the China Creek Phase I project, after having de-obligated \$500K in November 2018 because of the "year without a State Capital Budget" – is \$235,568.84.
3. The \$236,525.45 positive local projects positive fund balance could be used for both projects as follows:

Total Unobligated Positive Local Projects Fund Balance -->	\$ 236,525.45
a. Relocate all 2020, 2021 and 2022 gages now (not 2030 gages) -->	\$ (37,344.40)
b. Fund 85% of \$235,568.84 in unfunded China Creek Phase I completion costs -->	\$ (199,181.05)
	\$ 0.00

4. Benefits of using the local projects positive fund balance this way now is:
 - Completes two existing local projects facing an uncertain funding future.

- For the gages project this means not having to worry about relocation again until 2030, ensuring the existing system is optimally maintained and performing for the benefit of all who depend on it, and doing so at 2020 costs (versus more expensive 2021 or 2022 costs).
- For China Creek this means making Centralia whole again (de-obligating \$500K in November 2018 meant Centralia had to borrow funds from other internal fund sources to keep Phase I going.)
- For the upcoming 2021-23 Capital Budget it may not be very flush (due to COVID-19) and it is not a given these projects will be funded.
- Funding these projects this way completes them and then they are done.

B. Next Step Recommendation

Flood Authority staff (Scott) should work with OCB and RCO to verify actual local projects positive fund balance, take steps as necessary to use that funding for the benefit of both of these projects as described, and report back at the next Flood Authority meeting (7/16/2020).