

OKANOGAN COUNTY COMMISSIONERS'

RESOLUTION NO. 124 - 2023

A resolution authorizing allocation of a portion of Okanogan County's state and local fiscal recovery funds provided by the American Rescue Plan Act (ARPA) for Town of Nespelem Water Tower Hillside Stabilization project in the amount of \$250,000

WHEREAS, On March 11, 2021 the American Rescue Plan Act (ARPA) was signed into law which authorized the disbursement of State and Local Fiscal Recovery Funds (SLFRF) to state, local, and Tribal governments (CFDA #21.027); and

WHEREAS, SLFRF funds were provided to remedy rising costs and falling revenues due to the COVID-19 public health pandemic and to continue to support the public health response and maintain and improve public sector operational capacities; and

WHEREAS, specifically, the ARPA provides that SLFRF funds may be used:

- a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality
- b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- c) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- d) To make necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, under section C the Coronavirus State and Local Fiscal Recovery Funds final rule offers a standard allowance for revenue loss of ten million dollars (\$10,000,000.00), allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation; and

WHEREAS, recipients that select the standard allowance may use that amount for government services, and that, generally speaking, services provided by the recipient governments are "government services" under the interim final rule and final rule, unless Treasury has stated otherwise. Government services include, but are not limited to, maintenance or pay-go funded building of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services. Also, the aforementioned list of government services is not exclusive, and;

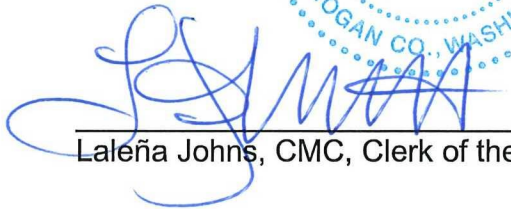
WHEREAS, Okanogan County has elected to take the standard allowance amount allowed by the SLFRF final rule to use the disbursement amount of \$8,205,208.00 for the provision of government services.

NOW, THEREFORE, BE IT RESOLVED, that effective March 11, 2021 the BOCC hereby allocates up to \$250,000 of the Okanogan County American Rescue Plan Act funds for the provision of government services associated with the City of Nespelem Hillside Stabilization project.

DATED at Okanogan, Washington this 19th day of September 2023.

ATTEST:




Laleña Johns, CMC, Clerk of the Board

**BOARD OF COUNTY COMMISSIONERS
OKANOGAN, WASHINGTON**


Chris Branch, Chairman


Andy Hover, Member


Jon Neal, Member

September 5th, 2023

ATTN:

Okanogan County Commissioners

RE: Town of Nespelem
2022 Reservoir Slope Stabilization Project

To whom it may concern –

To address the significant slide activity that occurred in October of 2021, within the slope above the town's two municipal water tanks, the town obtained an emergency grant from the Washington State Public Works Board (PWB), in the amount of \$775,457.00, to design and construct slope slide mitigation and stabilization measures. This emergency grant amount was estimated based upon very preliminary cost estimates, prepared prior to any geotechnical or field investigations and prior to the design team and town understanding the full scope of the project.

After receiving the emergency grant, the town contracted with Century West Engineering to perform geotechnical investigations and engineering design of the project, which was completed in July of 2023, for a cost of \$120,831.00.

The project was advertised for construction bids in August 2023, per state Public Works competitive bidding requirements. The preliminary engineers estimate of probable construction costs was determined to be \$625,000. Three contractor bids were received and publicly opened at the Nespelem town hall on August 24, 2023, at 10 AM. All three bids were responsive, responsible bids and the apparent low bidder (Devout Excavation, LLC) bid amount was \$1,015,611.21. The second and third bids were approximately \$204,000 AND \$220,000 higher, respectively, than the apparent low bid (see attached Bid Tab Summary).

As a result of the actual engineering costs and actual construction bid prices including unprecedented construction costs increases that have occurred over the past couple of years, the project costs far exceed the available funding as summarized below:

Design Costs:	\$120,831.00 (geotechnical investigation & engineering design docs & specs)
Construction Costs:	\$1,015,611.21 (low-bidder Public Works construction contract)
	\$40,000.00 (construction testing and management contract)
	\$100,000.00 (10% Construction contingency)

Total Project Costs ==> \$1,276,442.21

The resulting funding deficit is approximately $\$1,276,442.21 - 775,457.00 = \underline{\$500,000.00}$ still needed to complete the project.

The Town does not have sufficient local funds available to pay for this budget deficit.

The Washington State Emergency Management Division has indicated this project is eligible for Public Assistance funding, but that the Town would have to complete the project and then submit for reimbursement afterwards, which is not a practical option.

The Public Works Board has indicated that the project may be eligible for an increase in emergency grant funding, pending PWB review and underwriting, however, such increase would be limited to a cap of \$1,000,000.00, which would still leave a remaining \$276K budget deficit.

Given the significant importance of this project to protect the Town's water system infrastructure and given the limited timeframe with which to get this project complete this year, it is necessary that the Town obtain additional funding immediately to cover the described budget deficit. It is imperative that the Town obtain sufficient funding in order to award the construction contract no later than (30) calendar days from the bid opening date of August 2, 2023, which means no later than September 22, 2023. Failing to do so will not allow for sufficient time to stabilize the slope prior to the onset of winter weather, may subject the Town to incurring additional damages, and may jeopardize the Town's existing PWB emergency grant funding.

As such, the Town hereby requests Okanogan County assistance with additional grant funding to cover the deficit funding amount so that the construction contract may be awarded and the project may be constructed and completed prior to the onset of winter weather this year.

Sincerely,

Darcy Epperson, Mayor