

Location In-person: Room 172, First Floor, Natural Resources Building, 1111 Washington Street, SE, Olympia, WA. This public meeting location will allow for the public to provide comment and listen to the meeting as required by the Open Public Meeting Act. This requirement can be waived via HB 1329 if there is a declaration of emergency or if an agency determines that a public meeting cannot safely be held. If an emergency occurs, remote technology will be the primary meeting source.

Location Virtually: https://us06web.zoom.us/webinar/register/WN_pQHjqoazTbuvPpOIDTvreg

Phone Option: (669)900-6833 - **Webinar ID:** 862 7577 7248

Order of Presentation: In general, each agenda item will include a short staff presentation and followed by board discussion. The board only makes decisions following the public comment portion of the agenda decision item.

Public Comment: General public comment is encouraged to be submitted in advance to the meeting in written form. Public comment on agenda items is also permitted. If you wish to comment, you may e-mail your request or written comments to Julia.McNamara@rco.wa.gov, board liaison.

COVID Precautions: Masking is not required at this meeting, as the mask mandates have recently been updated by the Governor and local public health departments. If mask mandates change, there will be notification. However, masks and hand sanitizer will be made available. The meetings rooms will be set to allow for as much social distancing as possible and air purifiers will be placed throughout.

Special Accommodations: People with disabilities needing an accommodation to participate in RCO public meetings are invited to contact Leslie Frank by phone (360) 789-7889 or e-mail Leslie.Frank@rco.wa.gov.

WEDNESDAY, August 3, 2022

OPENING AND MANAGEMENT REPORTS

9:00 a.m. Call to Order

Chair Willhite

- Roll Call and Determination of Quorum
 - Review and Approval of Agenda – August 3, 2022 (**Decision**)
 - Remarks of the Chair
-

BOARD BUSINESS: BRIEFINGS

9:10 a.m. 1. Operating and Capital Budget Requests for 2023-2025

Brock Milliern

- A. Proposed Operating Budget Requests
 - B. Proposed Capital Budget Requests
 - Resolution 2022-09
 - Resolution 2022-10
 - Resolution 2022-11
-

10:40 a.m. 2. Cost Increase Request: City of Wenatchee, Wenatchee City Pool Renovation, [RCO 20-1238D](#)

Brian Carpenter

Resolution 2022-12

11:00 a.m. ADJOURN

Next Meeting: Travel Meeting – October 25-26, TBD
Subject to change considering COVID Restrictions

**Recreation and Conservation Funding Board
Resolution #2022-09
Recommending a Funding Level for the Washington Wildlife and Recreation Program
for the 2023-25 Biennium**

WHEREAS, the Recreation and Conservation Office (RCO) must submit a 2023-25 Capital Request Budget to the Office of Financial Management; and

WHEREAS, the Recreation and Conservation Funding Board (board) finds there is a continuing and compelling need for funding to maintain and enhance the state's quality of life and ecosystem health by investing in outdoor recreation opportunities and important plant, fish and wildlife habitat; and

WHEREAS, the Washington Wildlife and Recreation Program is a critical component to furthering the goal of maintaining and enhancing the state's quality of life and healthy ecosystems; and

WHEREAS, requesting budget support for these grant programs, and the RCO administration necessary to implement those grant programs, enables the board to fulfill its mission and goals;

NOW, THEREFORE, BE IT RESOLVED that the board hereby approves the 2023-25 Budget request shown below, including retaining the appropriate percent of the appropriation for program administration.

Program	2023-25 Request
Washington Wildlife and Recreation Program	\$135,000,000

Resolution moved by: Member Kathryn Gardow

Resolution seconded by: Member Michael Shiosaki

Adopted/~~Defeated~~/~~Deferred~~ (underline one) Date: August 3, 2022

**Recreation and Conservation Funding Board
Resolution #2022-10
Recommending a Funding Level for the
Youth and Community Athletic Facilities Program for the 2023-25 Biennium**

WHEREAS, the Recreation and Conservation Office (RCO) must submit a 2023-25 Capital Request Budget to the Office of Financial Management; and

WHEREAS, the Recreation and Conservation Funding Board (board) finds there is a continuing and compelling need for funding to maintain and enhance the state's quality of life by investing in outdoor recreation opportunities; and

WHEREAS, the Youth and Community Athletic Facilities program is a critical component to furthering the goal of maintaining and enhancing the state's quality of life and healthy lifestyles; and

WHEREAS, requesting budget support for this grant program, and the RCO administration necessary to implement it, enables the board to fulfill its mission and goals;

NOW, THEREFORE, BE IT RESOLVED that the board hereby approves a general obligation bond capital budget request for 2023-25 biennium in the amount shown below and a request to retain 4.12% percent of any appropriation for program administration.

Program	2023-25 Request
Youth and Community Athletic Facilities Program	\$ 10,900,000

Resolution moved by: Member Kathryn Gardow

Resolution seconded by: Member Michael Shiosaki

Adopted/Defeated/Deferred (underline)

one) Date: August 3, 2022

**Recreation and Conservation Funding Board
Resolution #2022-11
Recommending a Funding Level for Recreation and Conservation Office Administration and
Grant Programs in the 2023-25 Biennium**

WHEREAS, the Recreation and Conservation Office (RCO) must submit a 2023-25 Operating Request Budget to the Office of Financial Management; and

WHEREAS, the operating budget will be in conformance with the Office of Financial Management instructions, including carry-forward, maintenance level, and enhancement items; and

WHEREAS, the RCO must also submit a 2023-25 Capital Request Budget to the Office of Financial Management; and

WHEREAS, for federally supported programs and revenue-supported state programs, the amounts requested will need to reflect estimated federal apportionments (LWCF, RTP, and BIG), and the current revenue projections by the Departments of Transportation and Licensing; and

WHEREAS, the Recreation and Conservation Funding Board (board) finds there is a continuing and compelling need for funding to maintain and enhance the state's quality of life and ecosystem health by investing in outdoor recreation opportunities and important plant, fish and wildlife habitat; and

WHEREAS, the RCO administered grant programs are important components furthering the Governor's initiatives of having a clean environment and healthy communities; and

WHEREAS, requesting budget support for these grant programs, and the RCO administration necessary to implement those grant programs, enables the board to fulfill its mission and goals;

NOW, THEREFORE, BE IT RESOLVED that:

1. The board hereby approves the 2023-25 budget requests shown below.

Program	2023-25 Request
Aquatic Lands Enhancement Account	\$5,700,000
Boating Facilities Program	\$13,779,000
Boating Infrastructure Grant Program (BIG)	\$5,000,000
Firearm and Archery Range Recreation (FARR)	\$840,000
Land and Water Conservation Fund	\$20,000,000
Nonhighway and Off-road Vehicle Activities (NOVA)	\$10,400,000
Recreational Trails Program	\$5,000,000

2. The Director is authorized to modify and/or update the amounts as new revenue forecasts become available or to comply with Office of Financial Management budget instructions or directives. The Director also shall modify and/or update the request as necessary to meet the budget needs of the affiliated boards and councils, and to provide for scheduled rent, services, personnel increment dates, labor contract costs, and other operations costs.

3. The Director is authorized to apply for outside funding sources to supplement the capital and operating budgets consistent with the board and agency mission.
4. The Director shall submit any necessary re-appropriation requests.
5. The Director shall seek concurrence by the Salmon Recovery Funding Board in the submittal of any operating and capital budget requests within their jurisdiction.
6. The Director shall coordinate with the Department of Fish and Wildlife, Department of Natural Resources, and the Puget Sound Partnership in any jointly administered grant program budget requests.
7. The Director shall coordinate with the Washington Invasive Species Council in budget requests related to the administration of that Council.

Resolution moved by: Member Shiloh Burgess

Resolution seconded by: Member Kristen Ohlson-Kiehns

Adopted/*Defeated/Deferred (underline*

one) Date: August 3, 2022



Recreation and Conservation Funding Board Briefing Memo

APPROVED BY RCO DIRECTOR MEGAN DUFFY

Meeting Date: August 3, 2022

Title: Cost Increase Request: City of Wenatchee, Wenatchee City Pool Renovation, RCO 20-1238

Prepared By: Brian Carpenter, Outdoor Grants Manager

Summary

The City of Wenatchee is asking the Recreation and Conservation Funding Board (board) to approve a cost increase for the Wenatchee City Pool Renovation (RCO [20-1238D](#)) project. Inflation and other economic effects have resulted in bid amounts which are substantially higher than originally planned. Because the cost increase exceeds ten percent of the total project costs; staff is presenting it to the board for consideration.

Board Action Requested

This item will be a: Request for Decision
 Request for Direction Briefing

Resolution: 2022-12

Purpose of Resolution: Approve the cost increase for the Wenatchee City Pool Renovation project.

Background

In 2020, the City of Wenatchee (city) applied for a Youth Athletic Facilities (YAF) grant to renovate the pool liner and other infrastructure as part of the Wenatchee City Pool Renovation project. The Recreation and Conservation Funding Board (board) approved the preliminary ranked list of YAF projects at its November 2020 meeting and subsequently awarded a grant of \$350,000 in June 2021, following legislative approval of funding for the program.

The 10-lane, 50-meter pool, with three-meter and one-meter diving boards, is a vital recreation, athletic, and social hub for the community. Over 25,000 people participate in aquatic activities each year and among others, the pool hosts the Apple Capital Swim Meet,

one of the largest tourist events in the Wenatchee Valley. The pool, constructed in 1965, has been upgraded over the years, however, there are still a few issues that need attention.

Project Status

Before the Recreation and Conservation Office (RCO) issued the grant agreement, Wenatchee received clearance for cultural resources review. The city began preparing the bid documents to meet their aggressive timeline that anticipated construction starting on August 1, 2022. Wenatchee has now submitted 95 percent of the drawings for staff review before construction begins.

While developing these documents, city staff quickly learned that because of COVID-19’s economic impacts, the cost estimates have more than doubled. Additionally, other repair needs have emerged, expanding beyond the original scope and cost even further. The city began searching for funds to help close the gap between secured funding and the revised contractor’s cost estimates. While the city successfully raised some funding, it is not enough to complete the expanded and costly scope of work.

Request and Analysis

Wenatchee’s cost increase request is for an additional \$350,000 in grant funds. The original project application included a request for \$350,000. This, combined with a sponsor match of \$538,000 (61 percent), made up a total project cost of \$888,000. The new total cost is expected to be \$1,776,000, which would require the additional \$350,000 in YAF funds and an additional \$538,000 in sponsor match. This will preserve the original match ratio and address the cost increase of 100% as shown in the table below.

Cost Increase for Wenatchee City Pool Renovation #20-1238

RCO #20-1238	Original Project Agreement	Cost Increase Request	Proposed Project Agreement
YAF Grant (39%)	\$350,000	\$350,000	\$700,000
Sponsor Match (61%)	\$538,000	\$538,000	\$1,076,000
Total Project Cost	\$888,000	\$888,000	\$1,776,000

Cost Increase Policy

The board’s policy on cost increases is outlined in [Manual 4, Development Projects](#), page 36. Specifically, the policy states:

The Recreation and Conservation Funding Board may consider a cost increase in some grant programs if funds are available and the grant recipient submits a written request. The director may approve requests for increases up to 10 percent of the total project cost and the board may approve increases above 10 percent.

- *The sponsor must have fully explored all practical alternatives to completing the intent of the agreement.*
- *The sponsor must have had little control over the conditions causing the overrun.*
- *Any increase must only be used for elements in the project agreement.*

Additionally, [Manual 17](#), *Youth Athletic Facilities Program*, further defines the cost increase policy for requests within the YAF program on page and 37.

The director may approve a cost increase request as long as it does not exceed 10 percent of the project's initial approved grant amount.

Analysis

The capital budget appropriation for the 2021-23 biennium provided \$11.2 million for YAF projects. The board awarded full funding to the 44 projects submitted for fund consideration. There are no unfunded projects. Because some applicants withdrew their project proposals, there are enough uncommitted YAF funds available to fully fund this cost increase request. This request exceeds 10 percent of the total project costs and thus requires board consideration.

Alternatives Considered

The city considered two options:

- First, the city considered the typical “do nothing” option. This proved to be unrealistic because the pool was becoming unusable, and it is an important recreational resource for the community.
- Second, the city unsuccessfully pursued funding opportunities through Chelan County Lodging Tax and Distressed Communities Fund, the Chelan County Public Utility District Public Power Benefit Program, and sponsorship from Confluence Health Medical Center and other local businesses. Wenatchee was successful in securing a \$533,500 grant for the project from the Department of Commerce, but that was insufficient compared to the \$1.2 million difference between the lowest bid and the original cost estimates. Knowing they had most of the money, the city decided to pursue additional YAF grant funds to ensure they had enough money to complete the much-needed improvements.

Conditions Causing the Overrun

The sponsor had little control over the conditions causing the cost overrun. Economic effects from the pandemic, including materials, contractors, and labor shortages increased costs exceeding typical inflation; this is not something the city could have anticipated.

Elements in the Agreement

If approved, the increased budget will pay for all the scope items included in the grant agreement.

Strategic Plan Link

Consideration of this request supports the board's strategy to provide funding to protect, preserve, restore, and enhance recreation opportunities statewide.

Staff Recommendation

Staff recommends approval of the cost increase as requested via Resolution 2022-12.

Next Steps

If the board approves the cost increase request, RCO staff will execute the necessary amendment to the grant agreement.

Attachment

- A. Resolution 2022-10, Cost Increase for the City of Wenatchee, Wenatchee City Pool Renovation, RCO #20-1238D

**Recreation and Conservation Funding Board
Resolution #2022-12
Cost Increase for the City of Wenatchee, Wenatchee City Pool Renovation,
RCO #20-1238D**

WHEREAS, the Recreation and Conservation Funding Board has awarded a Youth Athletic Facilities grant to the City of Wenatchee (City) for replacing the liner of the outdoor swimming pool; and

WHEREAS, the economic impacts of the COVID-19 pandemic has resulted in significant increases in construction costs, including doubling the cost of this project, and

WHEREAS, the City needs additional funds to replace the pool liner in a manner that maintains public recreational access and extends the useful life the of the pool facility; and

WHEREAS, the City has secured resources to match any approved cost increase; and

WHEREAS, funds are available in the Youth Athletic Facilities Account; and

WHEREAS, consideration of a cost increase supports the board's strategy to provide funding to protect, preserve, restore, and enhance recreation opportunities statewide;

NOW, THEREFORE BE IT RESOLVED, that the Recreation and Conservation Funding Board approves a cost increase of \$350,000 from the Youth Athletic Facilities Account for the Wenatchee City Pool Renovation, RCO #20-1238D, and

BE IT FURTHER RESOLVED that the board authorizes RCO's Director to execute the amendment necessary to facilitate implementation.

Resolution moved by: Member Michael Shiosaki

Resolution seconded by: Member Shiloh Burgess

Adopted/~~Defeated~~/~~Deferred~~ (underline one) Date: August 3, 2022



Washington State Senate

Olympia Office:
107 Irv Newhouse Building
PO Box 40412
Olympia, WA 98504-4012

Senator Brad Hawkins
12th Legislative District

Phone: (360) 786-7622
Hotline: 1-800-562-6000
Email: Brad.Hawkins@leg.wa.gov

July 6, 2022

Washington State Recreation and Conservation Office
PO Box 40917
Olympia, WA 98504

Re: Support for City of Wenatchee Scope Change Request – City Pool Renovation Project (20-1238)

Dear Recreation and Conservation Office (RCO),

As the State Senator for District 12, I am very proud to represent the City of Wenatchee, the community where I was raised. The RCO knows this community well and its fabulous outdoor recreation opportunities. Whether it's hiking the Wenatchee foothills or swimming at the city pool, I have been fortunate to experience it throughout my lifetime.

Our community is grateful for the multiple years of successful partnership we have enjoyed with the RCO. Together, your office and our community has accomplished tremendous things to expand recreational opportunities for people of all generations and backgrounds, improving the quality of life in the Wenatchee Valley and enhancing economic development throughout the region.

Your office is aware that city pool facilities, originally constructed in 1965, are in need of significant repair and refurbishment. Recent state grants during the 2021-2023 capital budget (RCO and Commerce) are unfortunately insufficient due to the recent bid received. I respectfully request that your office approve the City of Wenatchee's request for a scope change, submitted July 6, 2022. Your approval will help ensure no interruption of service to the Wenatchee Valley community while stakeholders work toward a longer-term solution for our growing community's aquatic needs.

Thank you very much for your consideration!

Sincerely,

Brad Hawkins

RECREATION AND CONSERVATION FUNDING BOARD SUMMARY MINUTES

Date: August 3, 2022

Place: Hybrid- Online & Room 172, 1111 Washington St. SE Olympia, WA, 98501

Recreation and Conservation Funding Board Members:

Ted Willhite, Chair	Seattle	Shiloh Burgess	Wenatchee
Kathryn Gardow	Seattle	Kristen Ohlson-Kiehn	Designee, Department of Natural Resources
Michael Shiosaki	Seattle	Amy Windrope	Designee, Washington Department of Fish and Wildlife
VACANT	VACANT	Peter Herzog	Designee; Washington State Parks and Recreation Commission

This summary is to be used with the materials provided in advance of the meeting. The Recreation and Conservation Office (RCO) retains a recording as the formal record of the meeting.

Call to Order

Chair Ted Willhite opened the Recreation and Conservation Funding Board (board) meeting at 9 AM and requested roll call, determining quorum.

Member Ohlson-Kiehn joined the meeting in-person at 9:03 AM.

Motion: Approval of August 3, 2022 Meeting Agenda

Moved By: Member Shiosaki

Seconded By: Member Gardow

Decision: **Approved**

Item 1: Operating and Capital Budget Requests for 2023 - 2025

Brock Milliern, Recreation and Conservation Office (RCO) Legislative and Policy Director, presented on the operating and capital budget requests for the Washington Wildlife and Recreation Program (WWRP) and the Youth Athletic Facilities Program (YAF). He provided an overview of possible options for establishing the funding request levels. Five options for WWRP were presented to the board:

- Option 1: set the funding request based on a per capita basis,
- Option 2: set the funding level on a percentage of ask basis,

- Option 3: fund at least 50 percent of projects in every category
- Option 4: Washington Wildlife and Recreation Coalition advocacy funding level
- Option 5: WWRP as percent of bond capacity.

Mr. Milliern addressed questions surrounding inflation adjustments the program has received over time. While there have been incremental adjustments, the program has not maintained funding to match inflation. Mr. Milliern shared more detailed information regarding Option 3. This option would fund at least 50 percent of the proposed projects at \$125 million; Mr. Milliern also included the totals of the unfunded projects as previously requested by Member Gardow. The last option, Option 5 offered WWRP as percent of bond capacity at \$166.9 million.

The remaining grant program funding requests were presented to the board. Mr. Milliern mentioned the language has been amended to give the Director authority to make amendments to the options by use of revenue projections.

Chair Willhite suggested the board members share what option they are inclined to support when asking clarifying questions.

Member Gardow asked when the evaluation lists would be finalized, and Mr. Milliern shared that the lists are complete but there might be some funding alterations as there are some projects that have not yet been added or might still be removed. **Marguerite Austin**, RCO Recreation and Conservation Grants Manager, stated that applications are being moved to “complete” status and the grant amounts requested are nearing completion, so the projections are fairly accurate. Ms. Austin furthered stated that the WWRP Farm and Forest Account is not fully set. Evaluations will begin at the end of August 2022 and will be completed in September. It was also noted that when the board awards grants in June 2023, some projects may fall off due to the inability of the sponsor to raise match; however, any projection changes would be minor.

Member Gardow shared her support of a modified version of Option 3. She suggested increasing the funding from \$125 million to \$135 million.

Member Burgess sought clarification of Option 3, asking if there was flexibility in percentage allocation. Mr. Milliern responded that the three main categories will still receive 50 percent funding, but the percentage amounts can be moved under each main category. The main accounts being Farm and Forest, Habitat Conservation, and Outdoor Recreation, with each account having subsections that have specific funding percentages associated with them. Member Burgess voiced her support for the modified Option 3.

Member Herzog spoke to the unprecedented usage and appreciation for outdoor recreation. He stated his support to fund all projects; however, he questioned the potential implications if the funding is not able to be fully spent and the precedent set by this amount of funding. Member Herzog shared that in his experience, State Parks has always been able to find alternate areas of spending. RCO Member Herzog stated his support of Option 4. Also supporting Option 4, **Member Shiosaki** discussed the number of projects seeking funding. He reminded the board that inflation will cause projects expenses to increase.

Member Windrope reminded the board of the desire for consistency on decisions regardless of the budget. She shared her interest in Option 1 as a sound approach and offered alternate support for the modified Option 3. Having a consistent rationale was also supported by **Member Ohlson-Kiehn**, as it helps with stability and staffing. Member Ohlson-Kiehn also mentioned the extraordinary times and said a modified Option 3 would offer some competition but would also support entities to meet increased demand.

Chair Willhite discussed the unprecedented times and spoke of the nonpartisanship of the board to make these determinations. He asked to revisit the inflation graph and stated that the board and state have not met the previously funded amounts since 1994 despite statewide growth and advancement. He said he was not viewing full funding as an expense but rather an investment in the people, health, and economy of this state. With stakeholders also in mind, he shared his support for Option 4.

Returning to the topic of any excess funds, the members questioned what would happen should full funding be selected. Director Duffy responded that the agency could run a supplemental grant round. Ms. Austin explained that this would put a strain on staff capacity. There would also be a possibility of allowing cost increases, which is not currently allowed in any account outside of the Farm and Forest account.

Regarding cost estimates, Member Herzog asked how projects account for escalations. He stated that if projects move slower, they will become more expensive, and a potential need for cost increases to assist in project completion. Director Duffy responded that the agency will likely come to the board in October regarding options for how to address cost increases for the WWRP category.

Chair Willhite prompted the board to move toward a motion adoption. Member Gardow shared she would vote "no" to full funding. Member Burgess also stated she would not support full funding. Member Herzog discussed his concern of cost overruns and his desire to not see quality projects fall off due to lack of funding.

Public Comment:

None.

Motion: Approval of Resolution 2022-09 at the Funding Level of \$135 Million
Moved By: Member Gardow
Seconded By: Member Shiosaki
Decision: **Approved**

The board discussed the presented options for the YAF program. Member Windrope felt compelled by Director Duffy's comments on demand and supported fully funding. This support was also voiced by Members Shiosaki and Gardow. Member Shiosaki stated his interest in fully funding due to money being spent more locally and the different levels of disbursement.

Motion: Approval of Resolution 2022-10 at the Request Level of \$10.9 Million
Moved By: Member Gardow
Seconded By: Member Shiosaki
Decision: **Approved**

Regarding the RCO Administration and Grant Programs in the 2023-25 biennium, the board unanimously supported the proposed funding levels with the addition that Director Duffy have the authority to alter funding amounts as revenue projects change.

Motion: Approval of Resolution 2022-11
Moved By: Member Burgess
Seconded By: Member Ohlson-Kiehn
Decision: **Approved**

Member Gardow expressed her interest in developing a policy regarding cost overruns. This was supported by Chair Willhite due to the nature of the economy, and he asked if this could be added to the next agenda.

Item 2: Cost Increase Request: City of Wenatchee, Wenatchee City Pool Renovation

Brian Carpenter, RCO Outdoor Grants Manager, presented the cost increase request for the Wenatchee pool. He provided an overview of the park facilities and highlighted the pool. He shared that there have been several updates since its establishment in the 1970s due to high usage from not just Wenatchee, but surrounding cities as well. \$350,000 was awarded in 2020 with corresponding match. The city has pursued several avenues for additional funding but has not been able to raise the needed funding.

The city is seeking additional funding in the proposed amount of \$350,000. The director only has authority to approve up to 10 percent increase in cost increase funding; therefore, board approval is needed for this cost increase.

Member Gardow demonstrated her support for the cost increase but asked about the double increase ask of funding; she questioned if this would set a precedent. Chair Willhite shared the need to develop a formula for more sustainable handling of these cost increase requests.

Public Comment:

None.

Motion: Approval of Resolution 2022-12
Moved By: Member Shiosaki
Seconded By: Member Burgess
Decision: **Approved**

ADJOURN: 10:35 AM

Next meeting: Travel Meeting – October 25 - 26, TBD.

Subject to change considering COVID restriction.

Approved by:



Ted Willhite, Chair