

March 11, 2025

Road Fund Cash Flow Loan increase for the N. Lake Samish Bridge Replacement Fund



Whatcom County Public Works

Agenda

- Introduction
- Road Fund Loan History
- Why do we need the loan increase?
- Funding Options
- Questions & Discussion



Introduction

North Lake Samish Bridge Replacement Construction Contract

Total contract construction cost \$9.9 M

- Federal: \$9.55M (have up \$10.5M available)
- Samish Water district: \$350K



Road Fund Cash Flow Loan History

- In 2013, Ordinance 2013-022 was passed to issue cash flow loans up to \$1 million to capital project funds.
- In December 2024, Ordinance 2024-076 was passed to increase the threshold to \$2 million per capital project fund.
 - ❖ The increased threshold was triggered by a large contractor payment that required a Rainy Day loan when the \$1 million cap had been reached by a Capital Project Fund.
 - East Smith and Hannagan Roundabout cash flow issues
 - ❖ The Rainy Day loan was paid back a week later when grant revenues were received.
The contractor was paid on time per RCW 39.76.011

N. Lake Samish Bridge Fund PBB(3905)

- The N Lake Samish Bridge (NLSB) Fund currently has \$800K
- Typical invoice payments range between \$600K to \$1.1 million per month
- \$5.3 million is needed to complete the project between now and August 2025
- The NLSB Fund currently has a Road Fund cash flow loan of \$1.5 million and can only receive \$500K more per Ordinance 2024-076.

Grant Funding Owed by the Feds:

- \$1.4 million

The normal reimbursement timeline for the Department of Transportation (DOT) is one month after the payment request is sent. The DOT has stated that there will be an additional 1-2 week delay.

Funding Options

The Ask:

- Grant the Road Fund the ability to provide a cash flow loan of up to \$6.6 million (an increase of \$4.6 million), contingent on sufficient Road Fund availability.

Alternative Option:

- General Fund/Rainy Day Fund Loan for any cash needs in excess of \$2 million (Road Fund limit per Ordinance 2024-022)

Discussion & Questions

