



Elizabeth Kosa  
Director

# Memo

To: The Honorable Satpal Sidhu, Whatcom County Executive, and  
Honorable Members of the Whatcom County Council

Through: Elizabeth Kosa, Public Works Director *EK*

From: Julia Green, Financial Services Manager

Date: February 26, 2025

Re: Increase Funding Limit of Cash Flow Loans from the Road Fund to the North Lake Samish  
Bridge No. 107 Replacement Fund-3905

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## **Requested Action:**

Whatcom County Public Works requests that Council allow the Road Fund-1900 to issue cash-flow loans to the N Lake Samish Bridge Replacement Fund-3905 up to \$6,656,262.32 for a term not to exceed two years.

## **Background and Purpose:**

Ordinance 2024-076 granted the Road Fund the ability to provide cash flow loans up to \$2 million to capital project budgets in order to ensure that there was adequate funding to continue to pay contractors, while awaiting funding reimbursements from grantor agencies.

On January 20, 2025, the Federal Government issued an Executive Order 23 titled "Regulatory Freeze Pending Review" which implemented a 60-day pause on federal funding and financial assistance. Public Works is currently 60% of the way through the North Lake Samish Bridge No. 107 bridge replacement, which has \$10.9 million funding the bulk of the \$14.1 million-dollar project. As of October 2024, the old bridge has been completely demolished, and project is on-track to be completed in August of 2025. The remainder of the project is funded predominately with federal funding, and the bridge must be completed by August 2025. Public Works has determined that the best way to ensure project completion is to allow the Road Fund-1900 the ability to provide a cash flow loan up to the amount of that is outstanding on the project. The current limit is \$2 million, which the project is currently utilizing a \$1.5 million of that loan capacity in order to continue work while waiting for federal funding to be reimbursed. The only other options would be a short-term cash flow loan from the Rainy-Day Reserve Fund or delay payment of the contractor until a supplemental budget request is authorized to supplant those grant funds with local funding, which would take at least a month to be introduced and approved by Council.

Whatcom County Public Works requests approval of the proposed ordinance in order to give the Road Fund-1900 to issue cash-flow loans to the N Lake Samish Bridge Replacement Fund-3905 up to \$6,656,262.32 for a term not to exceed two years to ensure that project is completed by August of 2025.

**Funding Amount and Source:**

Not applicable

Please contact Julia Green at extension 6313 if you have any questions or concerns.