

Water and Land Resources Division

Business Plan

(2005-2010)

October 2004



King County

Department of Natural Resources and Parks

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Acknowledgements

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I. SUMMARY OF THE BUSINESS PLAN

Introduction

The Water and Land Resources Division (WLR) is charged with protecting the county's valuable water and land resources. This Business Plan presents recommendations for resource allocation, programming and staffing decisions through 2010. During that time, the division will face significant fiscal challenges. Although existing revenues are projected to decline, the need for environmental protection will grow. In addition, WLR's revenues generally must be used for specific purposes, which can prevent WLR from shifting existing resources to these areas of growing environmental needs. The goal of this Business Plan is to help WLR make the decisions that will secure its long-term future – despite these challenges. Although this Business Plan marks an ambitious path for WLR, a survey of WLR employees made it clear that they are up to the task. WLR employees are passionate about their important work and dedicated to strengthening WLR to protect the environment and its significant contribution to the quality of life in King County.

Background

King County's surface water management (SWM) program began in 1986 to serve urban unincorporated areas. In 1997, the county created the Water and Land Division by combining portions of Metro's former Water Pollution Control Division, the surface water management program, and King County's Office of Open Space and Resource Lands. In 1999, the county created the Rural Drainage Program (RDP), extending SWM fees countywide.

Legally, WLR has a single storm water service area and a single rate for surface water management fees. However, WLR refers to surface water management collected fees in urban unincorporated areas and certain rural areas as "SWM" fees and those collected in the remaining rural areas as RDP fees. WLR also accounts for the RDP and SWM fees separately.

Efficient management and protection of the county's water and land resources requires integrated services. For example, acquiring natural lands not only protects salmon habitat, but also can reduce flood risks and protect groundwater by allowing storm water to filter through the ground.

Today, WLR provides more than 100 services and programs that protect land and water resources. A key focus of many WLR programs is controlling non-point sources of water pollution. WLR's services include promoting the proper **disposal of hazardous waste, eradicating noxious weeds, reducing flood hazards, protecting groundwater, acquiring land**, building and maintaining facilities to help **control storm water, protecting and restoring salmon habitats**, and implementing **agriculture and forestry programs** to help manage surface water flow and protect surface water quality, and **monitoring water quality**.

WLR is currently organized in the following sections that correspond to its core business areas:

- Storm Water Services
- Capital Projects and Open Space Acquisition
- Flood Hazard Reduction
- Land and Water Stewardship Services
- Rural and Resource Programs
- Environmental Lab/Science Monitoring and Data Management
- Strategic Initiatives
- Finance and Administration

WLR's current organizational chart is provided in **Appendix A**. Additional information on WLR's current services and programs is available at: <http://dnr.metrokc.gov/wlr/>.

WLR's major funding sources include the following:

- **SWM/RDP fees** – used for a variety of programs and services related to storm water control and water quality.
- **WTD revenues** – used for a variety of programs related to siting facilities and water quality and permit monitoring.
- **Local Hazardous Waste Management fees** – used for programs to promote the proper disposal of hazardous waste.
- **Noxious Weed Eradication fees** – used to identify and eradicate noxious weeds.
- **River Improvement Fund taxes** – used to reduce flood hazards along rivers.
- **King Conservation District assessments** – used primarily for agriculture and habitat restoration programs. (Expires in 2005.)
- **Conservation Futures taxes** – used for land acquisition.
- **Parks Levy** – used for maintaining natural lands. (Expires in 2008.)

Constraints from Dedicated Revenue Sources

Most of WLR's revenues must be used for specific purposes. As a result, if revenues from one source decline, they generally cannot be replaced with revenue from other sources. For the same reasons, WLR must obtain new dedicated funding sources to accommodate new or increased demands for environmental services. These issues are discussed in greater detail later in this Business Plan.

Appendix B shows WLR's primary funding sources and corresponding services.

WLR's Future

The list below provides a synopsis of the attributes and significant achievements WLR will accomplish during the business-planning period (2005-2010):

- ⇒ WLR will provide efficient **rural storm water services**.
- ⇒ WLR will continue to manage the nation's best county **flood hazard reduction** program.
- ⇒ WLR will have a strong **capital program** that provides tangible benefits to ratepayers.
- ⇒ WLR's **Local Hazardous Waste Management Program** will continue to be nationally recognized and will work effectively with cities and the Solid Waste Division.
- ⇒ The work of WLR's Science/Environmental Lab section will be driven by county policies and priorities.
- ⇒ Through WLR, the county will provide **regional environmental services**, including convening, facilitating and providing services for **implementing WRIA Salmon Conservation** plans.
- ⇒ WLR in partnership with other stakeholders will have secured **stable local-option funding for regional water resources** protection and WRIA implementation that leverages State and Federal funds.
- ⇒ WLR will have facilitated a **stable source of funding for groundwater protection** through long-term interlocal agreements or other means.
- ⇒ WLR will have worked to identify new sources of revenue to **fund agriculture and forestry programs**.
- ⇒ WLR will **own and manage large tracts of priority open space lands**.
- ⇒ WLR will have **transferred ownership of property within cities**, other than regional facilities.
- ⇒ WLR will continue to reduce or prevent the impacts of **noxious weeds**.
- ⇒ WLR will manage all of its activities using **performance measures** to ensure that its services maximize value to citizens.

Business Planning Methodology

To develop this Business Plan, a team comprised of WLR and Department of Natural Resources and Parks (DNRP) employees reviewed and analyzed WLR financial projections and prioritized WLR services, using information from prior planning documents, an employee survey, and independent focus groups, and other resources.

Summary of Recommendations: WLR's Rural and Regional Role

Throughout the business-planning period, several of WLR's major revenue sources are expected to decline significantly. Therefore, WLR must make tough choices about which services best carry out its funding mandates and provide the most efficient and effective services to ratepayers and taxpayers. Although streamlining is never easy,

WLR can emerge as a stronger division. With the ability to provide fewer services, WLR can focus on continually improving the services it does provide. In fact, significant numbers of employees suggested that WLR had spread itself too thin and could do a better job by focusing on providing fewer services more effectively.

As discussed in greater detail below, these changes will mean that WLR will become an increasingly rural service provider. If additional revenue is secured, WLR will also increase its focus on providing regional services.

To meet the challenges of declining revenues and other drivers for change discussed below, WLR developed the following principles to guide future decisions about the services it will provide and the way in which those services are delivered. WLR will provide services that

- ⇒ are critical to carrying out the **purpose of the fund source**.
- ⇒ **maximize ratepayer value**.
- ⇒ protect **public health and safety**.
- ⇒ provide **measurable results**.
- ⇒ provide **significant, direct benefits** to a **large segment of ratepayers or taxpayers**.
- ⇒ meet regional and rural needs.

Consistent with these principles and following extensive review and analysis of the information compiled through the business planning process, WLR determined that it should focus on three key (but not exclusive) areas for the future:

- ⇒ Regulatory Support and Implementation
- ⇒ Capital Projects
- ⇒ Regional Services

WLR has always considered regulations to be a critical part of its environment strategy, along with other services. This Business Plan highlights the need to devote additional resources for regulatory implementation, such as providing technical assistance to support regulatory compliance.

Likewise, capital projects are critical components of storm water management, flood hazard reduction, and environmental restoration. In the past, WLR has been criticized for too much planning and too few projects. The county responded to this by committing to a capital program funded by at least 30 percent of SWM/RDP revenues. This plan recognizes WLR's important work in this area, and recommends that additional resources be devoted to capital projects.

In addition, as urban areas annex to cities, the county's storm water service area will become increasingly rural. However, there are compelling environmental demands that only a regional provider can fulfill. In particular, implementation of the Water Resource Inventory Area (WRIA) Salmon

Conservation Plans will benefit from a high quality regional service provider. This Business Plan recommends that WLR use its expertise to help fulfill that role. The three key service areas are discussed in greater detail below.

Regulatory Support and Implementation

These three service priorities represent some significant – but necessary – policy shifts. At the same time revenues are declining, State and Federal regulatory requirements are expected to continue to increase. Therefore, WLR must increasingly focus its efforts on implementing regulations. In the future, WLR will increase the resources devoted to technical assistance, but will provide most technical assistance in the context of regulatory compliance.

Capital Projects

The Business Plan also recommends that capital projects play a greater role in carrying out WLR's mission. For purposes of this business plan, capital projects include projects that improve land or facilities, land acquisition, and studies that result in future capital projects. As WLR's SWM service area becomes increasingly rural, capital projects will necessarily emphasize restoration of natural ecosystem functions rather than large facilities to mitigate the impact of development in urban areas. The increase in resources for capital projects is consistent with policy direction from the council and executive. In addition, although focus group respondents were concerned about the costs of capital projects, participants supported habitat restoration and preferred capital projects over less direct means of solving surface water problems, such as outreach and education programs. More information on the WLR focus groups is provided in the Service Prioritization Section of this Business Plan.

Regional Services

Finally, there is a significant – and increasing – need for **regional** environmental services (such as land management, protection of water resources, and scientific monitoring) to protect water and land resources, particularly in light of regional Salmon Conservation Plans and Flood Hazard Reduction plans that are nearing completion. Although adequate funding has not yet been identified to meet these regional needs, WLR currently provides many of these services on a smaller scale. Therefore, consistent with WLR's mission, WLR will work in 2005 to secure adequate funding for regional services.

Appendix C provides an overview of WLR's proposed transition with respect to specific categories of services.

Drivers for Change

There are numerous drivers behind these and the other policy changes described in this Business Plan. They include the following significant challenges:

- **Declining revenues**, particularly in SWM fee revenues
- An **increasing need for regional environmental services**, including implementation of Salmon Conservation Plans
- A mandate to **implement environmental regulations**, such as the Critical Areas Ordinance (CAO), and
- A mandate to continually measure and **improve service delivery**.

Declining Revenues

SWM fees are used for local storm water services, such as storm water facilities, as well as certain services that are not specific to a geographic area, such as public education. When an area annexes to a city, the county no longer collects SWM fees. Instead, the city collects SWM fees and provides the **local** storm water services, which leaves the remaining services without adequate funding.

Between 2004 and 2010, WLR projects an overall revenue reduction of 18 percent or \$8.4 million from 2004 estimated revenues of \$47.8 million. The largest decline will be in the surface water management fee, which is anticipated to decrease by \$7.8 million from its 2004 level of \$14.5 million due to projected annexations of the SWM service area by incorporated cities. (Because potential annexation areas in rural areas are expected to remain unincorporated during the business-planning period, RDP revenue is projected to remain relatively stable during this time.)

Appendix D shows the current anticipated schedule for significant annexations. If annexations occur more slowly than expected, reductions in SWM-funded programs can occur more slowly than anticipated. However, the end point will be the same: By 2010, WLR will have approximately \$10 million per year in combined SWM/RDP revenue to provide surface water-related services, primarily in rural areas of the county, compared with \$18.5 million in 2004.

Of the \$10 million annual revenue for SWM services, approximately \$2 million is projected for debt service, \$1.5 million for capital projects, approximately \$2.5 million to \$3 million for direct SWM services such as maintenance, approximately \$1 million for CAO implementation, and approximately \$2 million for general county government expenses. This leaves only about \$500,000 to \$1 million to fund other services such as support for agriculture and forestry programs and education and outreach. Thus, in the absence of additional funding, there will need to be significant reductions in these services by 2010.

New and Increased Demands for Environmental Services

Population growth and additional state and federal environmental regulations are also changing the demand for WLR services, creating demands without dedicated funding sources. As indicated previously, existing revenues are generally either capped or declining – and are typically dedicated to specific purposes. Therefore, WLR cannot use existing revenues to provide many of the needed services.

In response to the Endangered Species Act, WRIA Salmon Conservation Plans are nearing completion. The plans will provide a blueprint for salmon conservation and regional water resources protection.

The region will have significant obligations under the final plans when they are completed in July of 2005. They are likely to include recommendations for land acquisition, capital improvements to restore and enhance the region's water and land resources, regional data monitoring and management, and continuation of regional forums for decision-making regarding adaptive management. WLR already provides many of these services, and in 2005 WLR will evaluate needed regional environmental services and ways to fund them at appropriate levels.

In addition, flood hazard reduction plans are nearing completion, but tax revenues to fund the needed capital facilities are capped. As a result, WLR will evaluate funding alternatives for flood hazard reduction in 2005, as part of its evaluation of regional environmental services implementation.

Regulatory Compliance: CAO, NPDES

Implementing the county's new Critical Areas Ordinance (CAO), which is mandated in the State's Growth Management Act, chapter 36.70A RCW, will also require significant WLR resources in 2005 and beyond. (The county's Critical Areas Ordinance, Clearing and Grading Ordinance and Storm Water Ordinance are all collectively referred to as the CAO.) To meet these needs, in 2005 WLR will shift resources from general technical assistance to mitigate storm water runoff and non-point source pollution to technical assistance to help citizens comply with the CAO.

In addition, King County's National Pollution Discharge Elimination System (NPDES) permit will be reissued in 2005. The new permit may require more frequent water quality site audits, as well as additional monitoring and maintenance. Depending on permit requirements, WLR may need to shift additional resources to provide these services in 2005 and beyond.

Legislation for Business Plan Implementation

Staffing and Organization in 2005 and 2006

Consistent with this Business Plan, WLR has given layoff notices to 15 employees. In 2005, WLR will also begin a reorganization that this Business Plan recommends for full implementation in 2006. A change in Title 2 of the King County Code is necessary to allow the reorganization, and WLR will transmit legislation in the fall of 2004 to authorize the reorganization.

WLR's new structure will change the functions of certain sections, create new sections, and reduce the total number of sections from nine to seven. Consistent with this Business Plan, the new organization will include a section specifically devoted to regional services.

The reduction in the number of sections will result in a corresponding reduction in management positions in 2006. Additional reductions in non-management positions will also be necessary in 2006.

Schools SWM Discounts

In addition, the King County Code currently authorizes SWM fee discounts to schools for providing environmental education services. This Business Plan recommends a streamlined process for schools to obtain their discounts, and a legislative change is necessary to implement the new procedures. That change will be contained in the legislation to authorize WLR's reorganization.

Separately, WLR will be evaluating the level of discounts provided to schools starting in 2005. More information on that evaluation is provided in the Business Practices Section of the Business Plan.

Roadmap to the Remainder of the Business Plan

The remaining sections of the Business Plan will discuss the Business Plan recommendations in greater detail, providing additional information on:

- DNRP's and WLR's revised Mission, Vision and Business Strategy
- performance Measures
- WLR Financial Projections for 2005 - 2010
- the Business Planning Process, including service prioritization, focus groups and employee feedback
- program shifts for 2005
- recommended business practices
- a streamlined organizational structure
- a preview of WLR's regional role and next steps.

II. MISSION and VISION

The mission and goals of DNRP and WLR are the guiding principles on which service priorities for WLR are based. WLR's mission and vision were developed following an analysis of the division's current services, its future financial picture and its funding sources, potential regional role in salmon recovery and regional water quality, as well as the results of the employee survey and information obtained from five citizen focus groups.

DNRP's overarching goals, and WLR's mission, vision and business strategies that complement these goals, are described below.

DNRP Vision

DNRP's vision is sustainable and livable communities and a clean and healthy natural environment.

DNRP Mission

The Mission of DNRP is to be the steward of the region's environment and strengthen sustainable communities by protecting our water, land and natural habitats, safely disposing of and reusing wastewater and solid waste, and providing natural areas, parks and recreation programs.

DNRP Goals

DNRP's goals are:

Environmental Quality

Achieve a net gain in environmental quality by protecting and restoring the natural environment, ensuring public health and safety, and exceeding environmental standards.

Waste to Resource

Regard the region's waste products as resources and minimize the amount of residual waste disposed.

Community Investment

Contribute to healthy communities by providing recreation, education, and sound land management.

Price of Service

Price our services reasonably and competitively, while delivering the highest value to our citizens and maintaining safe and reliable systems.

Customer Satisfaction

Meet the needs of our customers through valued, high-quality, and responsive services.

Employee Involvement and Morale

Be a forward thinking workforce where employees are engaged in our business, involved in decisions that affect them, and understand their role in achieving the DNRP vision.

Leadership

Be a high performance regional environmental and resource management agency by providing high quality services, working in partnerships, and leading by example.

WLR Vision

Healthy aquatic and terrestrial ecosystems to enhance the quality of life in King County.

WLR Mission

The mission of the WLR is to be the most efficient, effective, and innovative entity in Washington at protecting and restoring aquatic and terrestrial ecosystems and preventing threats to public health and safety related to those ecosystems.

In the future, to carry out its mission, WLR will emphasize its capital, regulatory and regional roles by providing programs and services primarily in the areas described in Table 1.

Proposed changes in resource allocation for these WLR programs and services in 2005 and beyond are based on the business-planning process are described below. Certain programs will receive increased resources, while other will receive reduced resources. These shifts are described below:

TABLE 1
Primary Areas of WLR Emphasis

<u>Capital Program</u>	<u>Regulatory Implementation</u>	<u>Regional Services</u>
<ul style="list-style-type: none">❑ Regional Facilities - Cooperative Ventures<ul style="list-style-type: none">• Facilities• Restoration• Basin Plans❑ River Facility Improvements❑ Land Acquisitions and Maintenance❑ Rural Drainage and Water Quality	<ul style="list-style-type: none">❑ CAO Implementation<ul style="list-style-type: none">• Farm/Forest/Stewardship Plans• Adaptive Management• Technical Assistance❑ Floodplain Regulations❑ Storm water Management Regulations<ul style="list-style-type: none">• Private Facilities• Design Manual Implementation• Water Quality Enforcement	<ul style="list-style-type: none">❑ Science, Monitoring and Data Management❑ Environmental Lab❑ Flood Hazard Reduction❑ Hazardous Waste Management❑ Noxious Weed Eradication❑ WRIA Plan Implementation❑ Groundwater Management

Programs with increased resources include:

- ⇒ regulatory implementation, including related technical assistance
- ⇒ capital projects to manage storm water and protect water quality
- ⇒ land management
- ⇒ regional environmental services, including Salmon Conservation Plan implementation, provided that adequate funding is obtained.

Programs with reduced resources include:

- ⇒ SWM/RDP funding for programs providing general economic support to agriculture
- ⇒ SWM/RDP funding for forestry services for private landowners
- ⇒ SWM/RDP funding for programs outreach and education (e.g., general technical assistance, non-capital stewardship programs, and environmental education) particularly where other service providers are available
- ⇒ completed projects funded by WTD
- ⇒ numerous administrative functions.

Basic Storm Water Services in Rural Areas

As SWM fee revenues decline as a result of annexations, WLR must focus remaining revenues on providing basic storm water services in unincorporated – primarily rural – areas. Thus, certain regional services that are currently funded with SWM fee revenue, will need to be eliminated or funded with new revenue. Over time, WLR's SWM-funded activities will necessarily be devoted primarily to regulatory requirements, capital projects and maintenance.

Programs with Dedicated Fee Revenues

Funding for certain services with dedicated fee revenues, such noxious weeds eradication and the local hazardous waste program are expected to remain relatively stable during the business-planning period. Therefore, no significant reductions are expected in those programs. (The local hazardous waste program has its own separate process for determining funding priorities.)

Tax-Supported Programs for Flood Hazard Reduction

Revenue increases for tax-supported flood hazard reduction programs, are capped by voter-approved initiatives, significantly below the level of inflation. As a result, expenses for flood hazard reduction will outstrip the anticipated growth in revenue during the business-planning period. In addition, implementation of the upcoming Flood Hazard Reduction Plan is likely to require significant additional resources. Because flood hazard reduction is one of the key ways in which WLR protects public health and safety, WLR will evaluate a potential increase in taxes to support the River Improvement Fund.

In addition, WLR will also consider the use of SWM funds in 2006 to supplement River Improvement Funds for capital projects within the SWM service area such as levy maintenance and repair. This will mean additional reductions in the operating programs discussed in the following subsection.

Programs Funded with SWM Revenues

SWM fee revenue is expected to decline significantly during the business-planning period. SWM fees fund direct storm water services within the county's unincorporated areas. These projects are typically capital projects and associated maintenance and monitoring. As areas annex, there is likely to be a corresponding reduction in the need for WLR to provide direct storm water services (unless the city contracts with WLR).

SWM fees also provide funding for operating programs such as general agricultural programs, forestry programs, technical assistance to help citizens manage storm water and reduce pollution, and education and outreach programs. As SWM funds decline, reductions will need to occur in these operating programs (and associated administrative functions) – unless other resources are identified. In fact, in 2005 the total reductions in these types of programs will need to be greater than the actual annual reduction in SWM revenues to provide funding for other priority programs for the council and executive. These other priorities include increased funding for capital projects, CAO and storm water regulatory implementation, and supporting a greater regional environmental role for WLR.

Regional Environmental Services

Although adequate funding is not currently available for regional environmental services, there is significant need for these services and WLR is uniquely positioned to provide them. Regional water and land resources, including waterways for salmon spawning and open space lands contribute substantially to the high quality of life in our area. A coordinated watershed approach is necessary to protect these critical resources, because rivers, streams, and large lakes cross geographic boundaries, and activities can impact the environment far beyond the jurisdiction in which they occur.

WLR has played a key role in the efforts to protect salmon through facilitation of WRIAs eight, nine, and half of seven, and participation in the WRIA 10 Salmon Conservation Plan development, as well as providing significant scientific analysis. The division's expertise and data will be invaluable as regional plans to protect salmon are implemented in the years to come. WLR already has experience providing important regional environmental services, such as land acquisition, land management, regional environmental monitoring and testing, data management, and regional environmental governance. However, there is currently no funding source that is adequate to protect regional water resources or implement Salmon Conservation Plans.

Participants in countywide focus groups made it clear that protecting regional water and land resources should be one of the county's high priorities and that the efforts of local jurisdictions to protect water resources should be coordinated to ensure regional environmental protection.

In 2005 WLR will evaluate ways to help ensure adequate funding for important regional environmental services, such as flood hazard reduction – as well as other regional services for which there is currently no dedicated funding source, such as groundwater protection and agriculture and forestry. This work is discussed in the final section of the Business Plan.

III. WLR STRATEGY

The strategies that WLR will employ to accomplish the goals of this Business Plan include the following:

2004

- Completing WRIA planning work
- Developing countywide land acquisition strategy, including funding strategy and city input
- Undertaking important interagency projects, such as the Tolt McDonald Levee, the Des Moines Creek Basin Plan, and the Snoqualmie 205 Flood Reduction Project
- Demonstrating high-quality project management to the region
- Redefining the county's Agriculture program, including working to secure new funding sources
- Lobbying for state and federal funding for ecosystem restoration
- Obtaining interlocal agreements for groundwater funding.

2005

- Reauthorizing King Conservation District funding
- Updating WLR's Flood Hazard Reduction Plan
- Reducing some SWM-funded programs as a result of reduced revenues and the need to fund other priority programs
- Increasing investment in capital projects and strengthening CIP project management
- Convening regional stakeholders for Salmon Conservation Plan implementation
- Tying all scientific work to specific county policies and priorities
- Using science to manage the landscape through regulations
- Evaluating potential SWM, Noxious Weed and Local Hazardous Waste Management fee increases to compensate for inflation
- Evaluating a potential increase in tax funding for the River Improvement Fund
- Securing dedicated regional groundwater funding.

2006

- Reorganizing WLR sections
- Implementing long-term land management plan
- Shifting capital funding from urban to rural storm water projects, consistent with WLR's increasingly rural surface water service area
- Facilitating a regional storm water plan and regional watershed-based NPDES permit
- Using SWM fees to supplement River Improvement Funds for repairing levees and flood hazard reduction facilities (within the SWM service area).

Principles to Guide WLR Strategy

The following principles will guide WLR's strategies in implementing this Business Plan:

- **prioritizing services** that protect **public health and safety**
- prioritizing services that **target most significant sources of environmental degradation**
- prioritizing services that provide the most **significant and measurable benefits** to ratepayers and taxpayers at the lowest cost
- prioritizing programs where **no alternate service providers** are available
- focusing on the **timely completion of projects within budget**
- prioritizing programs that are most critical to carrying out the **purpose of the funding source**
- ensuring the **effectiveness of programs** through performance measures tied to the goals of particular funding sources
- using the **most cost-effective service delivery method**
- Focusing scientific work on client needs.
- Using **local revenues for local services** – or the county's proportionate local share of regional services.
- identifying new resources that can be devoted to **meeting regional environmental needs**
- **obtaining full cost recovery for services** provided to others
- **maintaining visibility in the community** by providing programs that provide significant numbers of ratepayers with services they value.

IV. MEASURING PERFORMANCE

SWM ratepayer focus groups sent the strong message that WLR services should provide tangible – ***and measurable*** – environmental benefits to ratepayers. Likewise, employee survey responses repeatedly said that WLR should focus on ***deliverables*** and ***enforcing accountability***. The bottom line is that ***WLR needs to be able to demonstrate that its programs provide the greatest possible benefit for the least possible cost to ratepayers.*** The success of the county's parks levy provides a critical lesson for WLR: being able to demonstrate that WLR is an efficient, accountable service provider is essential.

DNRP currently measures a number of high-level environmental and organizational outcomes. These measures reflect all of the relevant DNRP goals (environmental quality, community investment, leadership, etc.).

DNRP Outcome Measures

- Stream water quality (water quality index)
- Stream health
- Flood program rating
- Lake water quality (phosphorus levels)
- Aquatic habitat quality
- Citizen behaviors related to yard care and household hazardous waste
- Forest and agricultural land stewardship
- Local jurisdictions' views on DNRP leadership
- Service rates compared to inflation and other jurisdictions
- Entrepreneurial revenue
- Customer satisfaction
- Employee involvement and morale.

In 2005, WLR will track division-specific measures that focus on quantifying the effectiveness and efficiency of its programs. These data will be used to help drive budget and resource allocation decisions. The division will also track measures to evaluate WLR's ability to meet Business Plan recommendations, particularly with respect to business practices.

Division/Program Measures

Division measures will primarily attempt to measure the extent to which the entirety of a particular problem has been solved or a goal has been achieved. Certain key measures include the following:

Regulatory Support

- percent of technical assistance provided for regulatory (vs. non-regulatory) programs
- percent implementation of CAO farm, forest or stewardship plans by landowners.

Capital Projects

- number and percent of capital projects that are completed on time (breakdown by category: e.g., land, facilities, monitoring)
- number and percent of capital projects that are completed within budget (breakdown by category: e.g., land, facilities, monitoring)
- percent variation from original budget for all capital projects (both above and below target)
- variance of actual CIP expenditures versus planned expenditures
- expenditure rate of SWM fees and bonds (expenditures divided by budget = “burn rate”)
- percent of lands identified in land acquisition plans acquired
- number and \$ amount of backlogged projects (by program area: e.g., river improvement)
- percent of capital funding going to rural storm water projects (versus urban).

Regional Services

- value of new or increased regional environmental services provided by WLR.

Financial Measures

- number and percent of services that are funded at full cost recovery
- number or percent of regional services with successful long-term funding agreements/arrangements.

Customer Satisfaction

- percent of individuals provided with direct technical assistance who give a “4” or “5” (on a scale from 1-5) for customer satisfaction
- percent of all WLR ratepayers who give a “4” or “5” (on a scale from 1-5) for customer satisfaction.

Cost Effectiveness

Cost effectiveness measures will be used to assist WLR in evaluating and comparing the costs of different potential approaches or solutions to particular problems. Ideally, cost effectiveness measures can be used to weigh the relative costs of each approach against a common desired outcome. Alternatively, cost effectiveness measures can be used to compare existing costs against efficiency efforts to show a reduction in costs yielding the same outcome (“internal benchmarking”).

Measures that WLR will work to implement for internal benchmarking to assess cost effectiveness include:

- cost per educational interaction
- cost per acre of weed eradication
- cost per acre for CAO plans
- cost per storm water site audit
- cost to WLR for each volunteer hour received (e.g., administrative, recruiting costs)
- cost per hour for particular services.

WLR is also developing **environmental quality indices**. The indices, comprised of groups of related individual performance measures, will provide an overview of progress on key components of WLR's mission (for example: a water quality index).

Through its Geographic Information Services (GIS) capabilities, WLR is also targeting the most critical areas of environmental concern. By overlaying environmental quality data on regional maps, WLR has already identified the areas in the county with the most significant environmental problems involving water and land resources. WLR will focus its efforts on these "hot spots" and measure its success in improving environmental quality in these areas.

A list of additional WLR performance measures is provided at **Appendix E**.

V. FINANCIAL PROJECTIONS

Summary of Revenue Outlook

Revenue projections for WLR's major revenue sources necessarily played a significant role in the business planning process. In 2005, WTD capital and operating revenue will decline by approximately \$935,000. In addition, WLR anticipates the need for an additional \$2.3 million to cover new obligations and priority programs in 2005, such as CAO implementation, groundwater protection and additional investment in capital projects.

Table 2 shows financial projections for WLR's primary funding sources from 2004 through 2010.

The projections in Table 2 assume that existing funding sources continue, without rate increases through 2010. Potential new funding for regional water resources protection has not been included in the projections, because applicable decision-makers must approve any new funding source.

TABLE 2
WATER AND LAND RESOURCES DIVISION REVENUE ESTIMATES

*Water and Land Resources Division
Business Plan*

Revenue Source	2004 Budgeted	2005 Agency Req	2006 Projected	2007 Projected	2008 Projected	2009 Projected	2010 Projected	04 - 10 Dollars Change	% Change	Comment
Surface Water Management Fee	14,506,417	14,765,373	14,858,805	14,952,045	9,636,509	8,690,729	6,686,020	(7,820,397)	-52.96%	Based on revised OMB annexation schedule.
Wastewater Operating	13,611,242	12,680,109	12,803,012	13,187,103	13,582,716	13,990,197	14,409,903	798,661	6.30%	ESA Assessment decrease by \$0.75 m in 05 and phase out by 06; 3.0% inflation on remaining funds.
Rural Drainage Fee	4,080,000	4,129,607	4,158,563	4,187,809	4,217,348	4,247,182	4,277,314	197,314	4.78%	Assumes approximate 1% increase in no. of parcels.
Local Hazardous Waste	3,942,182	3,549,752	3,549,752	3,549,752	3,549,752	3,549,752	3,549,752	(392,430)	-11.06%	No rate increase assumed.
Other Revenues and Financing	3,198,025	3,875,889	3,686,053	3,688,090	3,688,090	3,676,950	3,676,950	478,925	12.36%	Loss of limited duration funding sources (bonds, fund transfers).
River Improvement Fund Levy	2,433,322	2,611,484	2,676,014	2,742,149	2,783,024	2,824,508	2,866,613	433,291	16.59%	Based on legal restriction on property tax growth.
Cities	1,184,603	1,417,863	1,302,509	1,341,284	1,381,223	1,422,359	1,464,730	280,127	19.76%	Completion of limited duration contracts from 05 - 06; 06 and beyond assumed 3% increase in maintenance contracts with cities.
Grants	1,057,647	699,000	633,000	483,000	483,000	483,000	483,000	(574,647)	-82.21%	Projected completion of grant awards.
Wastewater Capital	986,020	982,254	290,000	100,000	100,000	100,000	100,000	(886,020)	-90.20%	Assumes end of Freshwater, Normative Flows, etc.
WRIA Services ILA	984,393	971,114	-	-	-	-	-	(984,393)	-101.37%	New ILA Services will have to be negotiated to continue beyond 05.
Noxious Weed Assessment	948,000	959,725	969,322	979,015	988,806	998,694	1,008,681	60,681	6.32%	No rate increase assumed. Approximate 1% increase in number of parcels.
Green River Flood Control Zone District	875,544	836,663	825,170	833,422	845,923	858,612	871,491	(4,053)	-0.48%	Based on projected work program within legal property tax limitations.
Totals	47,807,395	47,478,833	45,752,200	46,043,669	41,256,390	40,841,984	39,394,454	(8,412,941)	-17.72%	

Appendix F shows the FTE reductions by section for 2005.

Table 3, below shows the projected reductions in staffing for SWM- and WTD-funded positions between 2005 and 2008, as well as between 2008 and 2010, along with cumulative totals. The SWM reductions are based on the current estimate of the pace of annexations in the county. WTD reductions are based on anticipated work programs. Changes in annexations will affect the financial projections, and WLR's actual staffing reductions may vary from the projections in this table.

Year	Staff Reductions	Cumulative staff Reductions
2005-08		
SWM	39	39
WTD	13	13
2008-10		
SWM	18	57
WTD	3	16

Staffing Adjustments in 2006 and Beyond

Consistent with the recommendations in this Business Plan, staffing reductions will need to occur in SWM-funded programs, primarily the following areas: agriculture, forestry, finance and administration and other administrative functions (including management), general technical assistance and education and outreach.

In 2006 and beyond, reductions may also need to occur in the Science Section, depending on WTD needs. Reductions also will need to occur in direct storm water services, to the extent that cities provide those services following annexations.

Other Factors:

Potential Rate Increases: SWM, Noxious Weeds, Hazardous Waste Management

In 2005, WLR will evaluate a potential rate increase in surface water management fees (SWM and RDP). The last increase took effect in 2002, and WLR's costs of providing services increases at approximately three percent per year. (As a service provider, the majority of WLR's expenses are personnel costs.)

The county's SWM/RDP fees are in line with surface water fees in other jurisdictions, and a 10 percent increase would simply help WLR make up for inflation. However, the efficiencies being implemented as part of this Business Plan will reduce some of the financial pressures on WLR, and WLR will need to carefully consider the impact of seeking a SWM/RDP increase, since additional funding is also needed for critical regional environmental services.

Table 4, below, shows the estimated additional annual revenue that WLR would receive from a SWM/RDP rate increase of 10 percent beginning in 2006.

	2006	2007	2008	2009	2010
RDP	\$.424M	\$.427M	\$.430M	\$.434M	\$.437M
SWM	\$1. 414M	\$1. 032M	\$.800M	\$.686M	\$.665M
Totals	\$1.838M	\$1.459M	\$1.230M	\$1.12M	\$1.102M

In 2005, WLR will also evaluate potential Noxious Weed Assessment increases to compensate for inflation. An increase in the Local Hazardous Waste Management Fee is being evaluated for this reason as well.

Potential Additional Reductions to Fund Capital Bond

WLR considered the viability of making further reductions in existing programs in 2005 to provide a revenue stream that could be bonded to provide a larger sum of money that could be used for capital projects. Ultimately, WLR rejected this option, because WLR's analysis indicated that the bond would be relatively small – even if WLR took fairly significant cuts to provide the revenue stream for repayment.

VI. SERVICE PRIORITIZATION PROCESS

Prior Work Used to Inform Business Planning

As part of the business planning process, WLR reviewed prior strategic planning documents and many other resources, such as the Budget Advisory Task Force recommendations, to ensure that existing resources informed the business planning efforts and that the planning team did not duplicate prior work.

A list of certain existing resources that WLR used to inform the current business planning process is provided in **Appendix G**.

Service Prioritization

Given WLR's financial projections, it was clear from the outset of the business planning process that WLR would have to eliminate certain services and scale back others. In addition, the employee survey indicated that many employees believed that WLR should focus on fewer services.

To prioritize its services, WLR developed criteria for placing services into one of three categories: “A,” “B” or “C”.

- “A” services were:
 - **Required by law or**
 - Services that provide a **direct and significant, measurable benefit** to a **large segment of ratepayers or taxpayers** at a **reasonable cost**, and were deemed to be **critical to carrying out the purpose of the fund source**.
- “B” services were those that were:
 - **Necessary to measure the effectiveness** of an “A” service or
 - Services that provide a **significant benefit at a reasonable cost**, but the benefit might not be direct, or readily measurable, as critical to the purpose of the funding source or be provided to as large a segment of the ratepayers or taxpayers.
- “C” services were everything else, with the exception of administrative services that by their nature needed different prioritization criteria.

The complete list of service prioritization criteria is provided at **Appendix H**.

“A” services were proposed to be continued, generally as is – since a service could not receive an “A” unless it was considered to be cost-effective. “B” services were proposed to be continued, generally with certain service modifications to ensure they were provided as efficiently as possible. And, “C” services were generally proposed for elimination or substantial service delivery changes.

To categorize services, the WLR business planning team obtained information on every WLR service to help ensure that team members had an accurate understanding of all existing services. The team also compiled and analyzed information on the cost of the services, the number of people served, whether the service could be provided by an entity other than the county, and other pertinent information.

General Consensus

Members of the business planning team separately reviewed and categorized all of WLR’s services. For the most part, services received similar rankings from all team members. In fact, of approximately 160 total services, 52 received no “C” rankings, while 36 received four or more “C” rankings. By contrast, only 11 services received three “C” rankings and only nine received two “C” rankings.

“Compliance Support” Programs

Some inconsistent rankings did occur with compliance support programs. Compliance support programs are those in which individuals and businesses are given financial incentives to comply with legal requirements. Certain team members believed that enforcement was simply more efficient than incentives or that people should not be paid to do what they are already required to do.

In some instances compliance support programs were considered more effective than enforcement alone. This is because the incentives are typically coupled with technical assistance to show property owners **how** to comply with legal requirements. In addition, focus group participants **strongly** favored technical assistance over enforcement alone.

As a result, this Business Plan recommends that most compliance support programs continue in 2005. As with all WLR programs, their effectiveness will continue to be evaluated in the following years, and programs will be modified or phased out when their effectiveness begins to decline. Certain other recommendations for compliance support programs are included in the *Business Practices* section of the Business Plan.

Results of Prioritization

Funding Source

WLR is authorized to use a variety of programs and services to carry out its mission. To prioritize these authorized services and programs, WLR worked to determine which services and programs were most **critical** to the purpose of the revenue source.

By way of example, scientific monitoring and testing, *to the extent required by law*, (e.g., required NPDES permit monitoring) was deemed to be critical to WLR’s storm water program. Similarly, capital projects such as storm water facilities and habitat restoration were also generally considered critical to carrying out the purpose of SWM fees because of the direct relationship between the projects and storm water control.

However, certain other authorized programs were deemed less critical to storm water control. Examples included certain programs to provide economic support to agriculture and forestry, monitoring to determine general environmental conditions, and certain education and stewardship activities, such as newsletters and volunteer salmon watching.

Program Cost and Ability to Measure Benefits

Given the importance of cost-effectiveness to ratepayers, the **cost of particular programs** and the **ability to measure their benefits** also played an important role in the rankings. In prioritizing programs, WLR estimated the cost of each program or service and evaluated the extent to which its benefits could be measured.

Direct Benefits and Magnitude of Harm Addressed

Other factors that were evaluated included whether programs provided a **direct public safety or environmental benefit** and the **magnitude of the harm** addressed or the benefit provided. These factors, for example, bolstered the ranking that sampling and analysis from swimming beaches received.

Number of People Reached and Alternate Service Providers

Similarly, the **number of people reached by a particular program** and the **availability of alternate service providers** also played a role in the rankings. For example, in-person schools education provided by King County received a lower priority ranking based on the fact schools are already required by State law to provide environmental education, and numerous quality environmental education materials are available from many sources, including the North American Association for Environmental Education. See: <http://www.eelink.net/>.

After the initial analysis and compilation of preliminary service rankings based on the prioritization criteria, additional input informed the final recommendations for WLR services. This included feedback from employees and citizen focus groups, the results of which are discussed below. With few exceptions, this additional feedback supported the initial prioritization of services.

Employee Survey

As part of the service prioritization process, WLR surveyed its employees – the ones who are closest to the actual work – to get their input for the business planning process. The survey asked both about suggestions for changing service delivery and other business practices, as well as which services in the employee's section should have highest and lowest priority.

Overall, employees were receptive to change and many viewed the challenges facing WLR as an opportunity to strengthen and improve WLR for the future. The following employee suggestions are just some of the ones that WLR is implementing or plans to implement as part of the business planning process:

- ⇒ **Focus on deliverables and enforce accountability.**
- ⇒ **Reduce unnecessary internal process.**
- ⇒ **Reduce administrative activities.**
- ⇒ **Retain the best employees and terminate underperformers.**
- ⇒ **Prioritize services by what is legally mandated and/or has a strong connection to the purpose of funding source.**
- ⇒ **Improve CIP project management.**
- ⇒ **Consolidate (generally); eliminate duplication.**
- ⇒ **Eliminate testing services that are not cost effective.**

- ⇒ **Group web design talent;** focus on full-time web developers.
- ⇒ **Share data.**
- ⇒ **Increase the use of technology.**
- ⇒ **Use e-mail for outreach.**
- ⇒ **Turn over volunteer lakes monitoring to local communities.**
- ⇒ **Ask ratepayers/taxpayers what they are willing to pay for.**
- ⇒ **Consolidate stewardship and resource lands.**
- ⇒ **Eliminate middle management positions.**
- ⇒ **Be more responsive service to ratepayers.**
- ⇒ **Allow other capable service providers to provide the services that they can.**
- ⇒ **Reorganize the division along discipline lines to prevent scope creep.**
- ⇒ **Focus on fewer services with a clear sense of purpose.**
- ⇒ **Reduce annual reporting unless information will be used.**
- ⇒ **Improve coordination among sections.**
- ⇒ **Stop funding programs that have no evaluation of their effectiveness.**
- ⇒ **Be clearer about the WLR vision, mission, and goals, and share that effectively.**
- ⇒ **Stop maintaining ineffective storm water facilities.**
- ⇒ **Consolidate RDP into the regular budget.**

The ways in which these suggestions are being implemented are discussed in other sections of the Business Plan, particularly in the section on Business Practices.

A summary of the employee survey results is provided at **Appendix I**.

Focus Groups

WLR also retained an outside consultant, EnviroIssues, to conduct four independent focus groups in April, 2004 to identify the service priorities of WLR's unincorporated surface water management (SWM and RDP) ratepayers. (This section refers to SWM and RDP collectively, as "SWM" for convenience.) Since all property owners in unincorporated King County pay SWM fees, focus group participants represented a mix of residential and commercial property owners from different areas of unincorporated King County. One group was conducted in each of four regions of unincorporated King County: north, south, urban, and Vashon Island. Focus groups were selected as one of the major vehicles for providing feedback to WLR on SWM services, because the participants were selected at random and therefore did not represent particular constituencies.

The goals of the focus group research were:

1. To provide objective ratepayer feedback and reaction to potential service adjustments in SWM-funded programs; and,
2. To identify public attitudes and values about county programs and services related to surface water management.

After establishing general knowledge of the SWM fee and the programs and services it currently funds, participants were led through three exercises designed to provide feedback on their values and opinions regarding how SWM funds should be allocated in the new WLR business plan. The exercises were: a ranking of program importance, a choice of tradeoffs between different services and programs, and a ranking of decision criteria for use in choosing service adjustments. Participants filled out worksheets and then discussed their responses.

Although the information obtained was necessarily anecdotal, according to EnviroIssues, the opinions expressed were representative. In other words, conducting additional focus groups would not have yielded materially different results, particularly on issues in which there was strong agreement for one position or another.

The bottom line for focus group participants was that SWM-funded programs should first and foremost **protect public health and safety** and **provide the greatest benefit per dollar**.

Focus group participants were asked to rank various criteria for allocating SWM funds to various programs. Of the 12 criteria that participants ranked on a scale of one to five, four of the criteria ranked significantly higher than all of the others.

The top four criteria for allocating SWM funds, in rank order were:

- if services/programs help reduce the most hazardous or most significant sources of pollutants
- if services/programs help protect public health and safety
- if services/programs provide a high benefit compared to the cost
- if the services/programs provide a direct environmental benefit.

“Health and public safety are the most important things King County should consider.”

“Show us which programs are working and which ones provide more bang for the buck.”

“If there is no direct benefit, then there is no point in funding a program or service.”

When participants were asked to rank specific programs and evaluate them in comparison to other SWM-funded programs, the following themes emerged:

- **Technical assistance was very important to participants.** Technical assistance was more popular than regulatory enforcement alone, and most

participants felt there should not be any additional charges for such assistance. In addition, in a direct comparison, technical assistance for regulatory compliance was favored over several other program areas, such as habitat restoration projects and capital facilities construction, as the most important tool for ensuring water resource protection. Direct financial assistance to help landowners comply with regulations, however, was not as broadly supported.

“People are more willing to comply if they have help than if they are fined.”

“Don’t pay property owners to comply with laws.”

- **Participants were generally supportive of programs to help farming remain economically viable.** However, many participants thought these programs were only somewhat important in the larger scheme. Many recognized the connection between preserving farming and preserving land from development, but did not separate farmers from other private landowners in terms of their ability to preserve open space. When asked to choose, the majority of participants preferred providing financial assistance to landowners for agriculture and forestry over acquisition of open space by the county.

“Provide programs and services that help farmers and others keep their land.”

- **Participants were also generally supportive of the county’s acquiring open space for preservation.** Participants were aware that setting aside land that is unspoiled could relieve the burden on preservation and restoration needs in the future. Those who were not as supportive expressed concerns about the costs of maintaining land the county acquires and removing the land from the county’s tax base. Participants ranked acquisition of open space fairly high on its own – and in fact it ranked slightly higher than incentives for farming ranked on its own. But when directly asked to choose between the county acquiring open space and providing incentives and support to private landowners, the majority of participants chose incentives. However, when forced to choose between habitat restoration and acquiring open space, slightly more participants would like to see SWM funds spent to buy open space and forest land.

“Open space provides buffers and retreats and is important for future generations.”

“If King County buys property now and protects it, it won’t have to restore it later.”

- **Participants thought capital investment was important, but not as important as certain other programs, and there was a great deal of concern about spending on new capital facilities.** Participants want more information from the

county about the effectiveness of current facilities and the need for new projects before supporting any new construction. To begin with, participants would like more information about capital facilities in general -- where they are, how they work, and their costs. Capital spending for things like habitat restoration, open space acquisition, and maintenance of existing facilities was more acceptable to participants than spending for major new facilities. (As WLR's surface water service area becomes predominately rural as a result of annexations, the focus of WLR's capital program will shift to the types of capital project that participants found most acceptable: generally smaller projects that restore the functioning of natural ecosystems.) In addition, participants chose providing technical assistance to landowners over constructing new facilities. However, some participants thought capital projects were the best use of SWM funds as long as they have a demonstrable purpose and provide a direct benefit.

"People have to know that a particular project is needed before they can support it."

"Fix what we have before building more."

- **Participants would rather see SWM fees used for monitoring specific data points (such as the effectiveness of programs) than for general regional monitoring.** Many thought general monitoring was less important as there are other agencies and groups beyond the county responsible for collecting that information.

"Use specific monitoring to see which areas need the most attention and which SWM programs are the most effective."

- **Certain types of public education were generally supported when participants were asked about the importance of specific programs. However, this support dropped significantly when participants were asked to make trade offs and choose between programs.** (These results are consistent with water quality surveys that show significant support for environmental education, because those surveys do not ask respondents to make trade-offs between particular programs.) When required to make choices, for example, focus group participants favored capital projects more than three to one over environmental education, because capital projects were seen as providing tangible results. In addition, most participants felt broad public education, even if it was not as effective, was a better use of funds than in-person, small group interactive education. Targeting education efforts at children was also seen by many as an effective way to educate adults because children bring home what they learn in school. Some participants also encouraged educating consumers and retail businesses about the specific hazards of some of the materials they sell. Participants did not think it was important for the county to train volunteers to provide environmental education or to provide grants to community groups for education programs.

“Broad education reaches everyone, not only the people that want the message.”

“Capital projects are a better use of funds because they provide tangible results, whereas it is difficult to know if education is effective.”

VII. RECOMMENDED PROGRAM SHIFTS

Table 5, below shows the detail for program shifts by section for 2005, recommended as a result of the business planning process. Shifts in subsequent years will be made consistent with the principles and strategies outlined in this Business Plan.

VIII. BUSINESS PRACTICES

WLR employees made it clear that *how* WLR provides services in the future is just as important as *what* services WLR provides. To continue to provide high quality services that provide significant benefits to ratepayers at the lowest cost, this Business Plan recommends a number of service delivery changes – many of which are already being implemented. These recommendations are based on input from employees and other input obtained during the business planning process.

Division and Section Management:

Working to ensure full utilization of staff and accountability for performance

Setting employee performance requirements and enforcing accountability were among the most frequent of all suggestions received from the WLR survey. Based on the survey, it appears that eliminating underperformers would improve employee morale and productivity. To that end, managers will place increased emphasis on setting and enforcing performance standards – and accurately documenting performance.

Focusing on Deliverables and Reducing Internal Process

Managers will also place a high priority on ensuring that employees are sufficiently utilized and efficiently producing deliverables that benefit ratepayers and taxpayers. Although not all WLR positions are designed to provide direct benefits to ratepayers, internal processes and administrative activities will be limited to the extent necessary to ensure that they promote efficiency and effectiveness. To this end, WLR management will evaluate ways to increase the use of technology to reduce the cost of administrative activities.

TABLE 5
SERVICES CHANGES IN 2005

Water and Land Resources Division
Business Plan

Description	Proposed Eliminated Services	Proposed Reduced Services
I. Stewardship		
Lakes Stewardship	Small lakes data collection, outreach, restoration plan implementation and invasive weed control programs	No longer monitoring in urban incorporated areas.
Basin Stewardship	General technical assistance to landowners.	Cedar River Council staff support. Overall basin coverage on Enumclaw Plateau and in Snoqualmie. Natural Resource Lands support.
Local Hazardous Waste Program	Will be determined by Haz Waste Mgmt Committee	Will be determined by Haz Waste Mgmt Committee
II. Natural Lands & Rural Programs		
Agriculture Program	Farmers Market staff support, Farmlink, Farm Newsletter, Support to Biogas project	Development of farm plans and BMP installation. Interagency coordination, Ag Commission staffing, support to Ag Comp Plan
Forestry Program	Forest Stewardship Classes, Assistance on county-owned lands	Forest Commission staffing, Coordination of Executive Forest Policy, support to Forest Comp Plan
Natural Resource Lands	Site management plans on past inventory complete.	None
Noxious Weeds Program	None	None
Current Use Taxation	None	None
III. Public Education & Grants		
Community Outreach	Support for schools education (water quality, groundwater), Some adult environmental education (certain newsletters), face to face citizens outreach events (fairs and festivals), and Earth Heros. Car Wash Kits and Stormdrain Stenciling programs.	None
Grants Program	None	None
IV. Monitoring & Analysis		
Science	Support to human health risk assessment. General WRIA 8/9 technical support.	Normative flows, HCP and planned reductions from freshwater/Brightwater ramp down. Nearshore technical work.
LAB		Lab project management.
V. Flood Hazard Reduction None		
VI. Capital Projects & Acquisition None		
VII. Regional WRIA Planning		
WRIA Plan Implementation/Tri County	None	None
WRIA Technical Support	None	Technical data gathering and analysis of salmonid and riparian resource information for development of WRIA conservation plans and general biological technical support for clients.
VIII. Local Urban & Rural Stormwater Management None		
IX. Central Costs, Finance and Administration		
Central Costs, Finance & Administration	Word processing support.	Accounts payable/payroll. Finance support for KCD grants. One-time Class/Comp retro; King Street bond retired.
Policy, Performance & Visual Communications	Organizational development, management team support, KC lead for WRIA 8 and countywide ESA compliance support	Graphics/VC/Web support reduced by 22%, GIS reduction by 20%

As several employees suggested, annual reporting will be streamlined or eliminated, unless the information is used to inform or implement specific county policies.

Storm Water Services

Prioritizing facility maintenance

As suggested by the employee survey, the storm water services section will prioritize maintenance and repairs on facilities that provide – or could provide – the most benefits in terms of storm water control.

As with the CIP group (and to the extent applicable WLR as a whole), Storm Water Services will work to ensure that core project teams are as small as possible to promote efficiency. Other players will be brought in as appropriate, but key decision-making will be as streamlined as possible.

Transferring facilities and property to cities

The county continues to own certain storm water facilities or property inside cities. These will be transferred as soon as possible to the jurisdiction in which they are located.

General Technical Assistance, Outreach and Education

Focusing on cost-effective improvements to water quality or flow

With the shift in focus to technical assistance in the context of regulatory support, WLR will significantly reduce general technical assistance. WLR will focus its remaining general technical assistance, outreach and education programs to provide the greatest ratepayer benefits per dollar expended. To accomplish this, before the end of 2004, WLR's Land and Water Stewardship Section will determine the most critical water resource problems that are most effectively addressed through educational efforts.

Because so many factors can affect environmental quality, it is not always easy – or efficient – to measure the impacts of a particular education program on water quality or flow. However, evaluating certain program attributes can provide important insights. WLR will evaluate its existing programs – and design new programs – to ensure that they have as many of the following attributes as possible.

- The program focuses on **changing specific behaviors** that contribute to water flow or quality problems (rather than providing general environmental education).
- The program's focus impacting the region's **most significant water flow or quality problems**.
- The program focuses on behaviors that are **easiest to change**.
- The program is **designed to address a large percentage of the total problem** (e.g., a large percent of the population contributing to the problem; a large percentage of the total acreage on which problem activities occur).

- The program focuses on water quality or flow problems **within the SWM service area** (e.g., **unincorporated** King County).
- The program reaches **populations that have not accessed services** or previously participated in events.
- The program provides benefits that are **measurable**.
- The program is the most **cost-effective means** of changing the behavior.

With dwindling SWM resources, the bottom line is that education programs will use a coordinated approach to provide the greatest benefits to ratepayers per dollar, recognizing that all ratepayers fund education programs and most ratepayers contribute to surface water problems. In future years, as with all WLR programs, educational and technical assistance programs will continue to be analyzed to ensure that they achieve these goals.

WLR will also explore the **increased use of technology** for education programs to expand their reach. For example, in the past, WLR has developed a large number of flyers, pamphlets and newsletters – most of them with separate environmental messages. The Internet enables WLR to reduce the number of flyers, while potentially expanding the reach of its message. To the extent possible, citizens will be referred to the WLR's World Wide Web home page for environmental information. A Web log may be able to effectively and efficiently connect citizens with environmental information and each other. Publications, which use valuable paper resources, will be curtailed significantly. If WLR produces brochures and newsletters, their content and distribution will be consistent with the criteria above, and they will be coordinated with other WLR efforts to ensure a coherent communications strategy.

Likewise, WLR will consider the **use of regulations** – in lieu of – or in combination with educational programs, to the extent regulations can assist with cost-effective behavior change.

Grants

Reducing administrative expenses and prioritizing projects that provide direct benefits

Focus groups did not believe that grants to citizen groups should be a high priority for the county. In addition, in making grants, the county must select from projects proposed by third parties that may or may not align with the county's priorities. However, grants can leverage other funding to provide greater benefits to ratepayers than would otherwise be possible. Therefore, WLR will continue to provide grant funding, but will carefully scrutinize projects to ensure that they meet the county's program priorities.

To that end, to the extent allowable based on applicable funding sources, the WLR grants programs will modify funding criteria (and/or the amount of funding for particular grants) to be consistent with the revised mission and vision and the service prioritization criteria identified in the business planning process. This will align grant-funded programs with the policy shifts in the Business Plan.

For example, grants for restoration projects will receive priority over grants for education programs to be consistent with the WLR prioritization criteria and focus group results. To help ensure cost-effectiveness, WLR will also work to consolidate grant programs or otherwise reduce administrative costs.

Finally, the county will not seek to obtain grants on behalf of others. Although this can be a worthwhile endeavor, in a time of declining SWM revenues, other priorities take precedence over assisting groups in obtaining funding from organizations other than King County.

Agriculture and Forestry Programs

Focusing resources to maximize ratepayer value

Starting in 2005, much of the technical assistance that the Agriculture and Forestry programs provide will be provided in connection with the CAO permit process. Remaining technical assistance efforts will focus on providing the greatest benefits for the least cost. For example, farm or forest planning for large parcels or parcels with environmentally sensitive areas will have priority over planning for smaller or less environmentally sensitive parcels.

WLR was recently successful in eliminating a permit for its Agricultural Ditch Assistance Program that cleans fish-bearing ditches. The change should significantly increase the program's cost effectiveness, and in future years, WLR should continue to work to reduce the program's cost per linear foot.

Financial Incentive Programs

Evaluating appropriate incentive levels

Providing financial incentives for compliance with regulations was far more popular with focus group participants than enforcement alone. However, to ensure a high benefit compared to the cost, incentives need to be provided at appropriate levels.

Starting in 2005, WLR will evaluate its incentive programs and make adjustments to ensure that incentives yield a high benefit compared to the cost. Incentive programs are particularly appropriate for helping citizens adopt new habits and practices. However, their effectiveness may diminish over time. Therefore, WLR will modify or phase out incentive programs when their effectiveness plateaus or diminishes.

For example, in 2005, WLR will evaluate reducing the amount of the discount that public schools receive on SWM fees. School parking lots and other impervious surfaces associated with schools contribute significantly to storm water runoff. WLR currently provides a 100 percent discount on SWM fees to public – but not private – schools that provide environmental education programs that specifically focus on water and land resources. The fee waivers cost WLR approximately \$950,000 per year.

However, RCW 28A.230.020 already requires environmental education as part of the public school curriculum, and numerous quality materials are available for free or at low cost. In addition, the State also provides grant funding for environmental education. For these reasons, a 100 percent discount on SWM fees for public schools may not be appropriate, and WLR will evaluate the appropriate level of the discount in 2005.

Reducing Costs

As with all of its programs, WLR will also seek to reduce its administrative costs for incentive programs. For example, WLR will propose legislation to the King County Council to allow schools to self-certify that they provide environmental education in order to obtain their SWM fee reductions. Schools that do not provide the required documentation in a timely manner will not receive any discount.

Science

Continuing to ensure that Science carries out specific county policy direction

The Science section will continue to ensure that its work is driven by clients to inform or implement specific policy decisions. Monitoring that is required by law and monitoring to determine the effectiveness of programs or facilities will receive priority over monitoring to determine general environmental conditions. The Science section will continue to share its data – both within and outside WLR to ensure that monitoring and testing are not duplicated. In order to facilitate data sharing and support WLR's vision of becoming a regional data manager, a protocol for loading all environmental data into DNR's data warehouse will be developed. In addition, consistent with WLR's enhanced regional role, WLR will work to develop regional protocols in partnership with other agencies that perform environmental monitoring and testing.

Environmental Lab

Providing high-quality sampling & analysis at optimal levels

The Environmental Lab has been involved in the WTD Productivity Initiative and is continually evaluating cost-effectiveness of services. The Lab will be reviewing sampling and analysis plans with its customers to ensure the right type and amount of service is being provided to meet project data objectives. In addition, the lab is working to bring develop new methods that will allow the Environmental Lab to conduct testing in-house at a lower cost than subcontracting; exploring opportunities to substitute less expensive screening tests where appropriate; and looking for ways to increase revenues by providing more services on a reimbursable basis, at full-cost recovery.

CIP

Improving Project Management

Improving CIP project management was a frequent suggestion in the WLR employee survey. Various sections within WLR identify, undertake or manage CIP projects. For example, identifying and obtaining funding for capital projects is a major function for basin stewards, but they are not in the CIP section. Similarly, grants programs fund

capital projects, such as habitat restoration, and the Flood Hazard Reduction section also undertakes capital projects.

In addition, the CIP section in WLR undertakes projects for external clients. This is necessary to ensure that WLR has sufficient work to be able to retain staff with needed expertise. However, working out the priorities for internal and external work can be challenging.

WLR currently prioritizes capital programs by evaluating “effectiveness” and “cost.” While cost is a relatively objective measure, WLR will further define criteria for “effectiveness.” WLR will also prioritize goals for CIP projects and – as with other WLR programs—evaluate at the outset how a project will meet those county policies and priorities.

WLR will also work to centralize planning activities that identify capital projects and work to ensure a strong connection between the planning and implementation functions to ensure that the original objectives are met as projects move from planning to implementation. In addition, WLR will continue to evaluate ways to coordinate capital projects and improve project management to ensure that projects are completed on time and within budget.

Finance and Administration

Potential Consolidation of SWM and RDP Revenues

WLR’s numerous funding sources – each with its own legal constraints – pose significant financial and administrative challenges. In addition, WLR operates with two separate financial systems – which cannot communicate with one another. Unfortunately, WLR cannot address either of these issues by itself.

Legally, WLR has a single surface water program with one set of rates and a single service area that encompasses all of unincorporated King County. However, as a result of Council recommendations associated with the creation of the RDP, WLR has had a practice of separately accounting for SWM and RDP revenues. To streamline the budgeting process, WLR will evaluate consolidating SWM and RDP revenues into a single fund. In any event, WLR will continue to ensure that spending in given geographic areas corresponds to the fees paid in those areas.

Strategic Initiatives

Focusing on priority areas

In 2005, Strategic Initiatives will focus on ensuring the implementation of the business planning efforts, with particular emphasis on WLR’s regional role and CIP project management. In addition, Strategic Initiatives will continue to develop and implement performance measures for WLR.

Summary of WLR Business Plan Implementation Tasks

A summary of Business Practice recommendations is set forth at **Appendix J**.

IX. FUTURE ORGANIZATIONAL STRUCTURE

To better position WLR for an enhanced role in providing regional environmental services and to align its operations to carry out the goals of this Business Plan, WLR will be proposing a new organizational structure. In 2005, WLR will formally separate the Environmental Lab and Science Sections and will fine-tune the proposed grouping of services that will make up WLR's sections in 2006 and beyond.

The reorganization will create a new section for regional services. In addition, the structure will include a new section focused primarily on land resources and one focused primarily on water resources. The CIP and Finance and Administration Sections will continue, while other WLR sections will carry out the functions of the former Strategic Initiatives, Office of Rural and Resource Programs, and Land and Water Stewardship sections.

The new organization will also reduce the size of WLR's management team, commensurate with overall reductions in workforce. Legislation to authorize the reorganization will be transmitted to the King County Council in the fall of 2004.

X. PREVIEW OF REGIONAL ISSUES AND FUTURE CHALLENGES

WRIA Implementation and Regional Water Resources Protection

In the coming months, WLR will help convene the discussion on implementation of the WRIA Salmon Conservation Plans, including proposals for new funding options.

The draft WRIA plans identify a significant need for regional environmental services – many of which WLR already provides on a smaller scale. However, adequate funding has not been identified for plan implementation. In 2005, WLR will work in cooperation with other stakeholders to identify and evaluate potential sources of funding which may include:

- New local-option funding approved by the State Legislature
- New or increased federal funding through the development of a Puget Sound Recovery Act
- King Conservation District assessment renewal, and evaluation of potential increases in statutory limits
- Voter-approved local option funding.

Key components of the regional needs for water resources protection (as identified in the WRIA plans) are likely to include:

- Regional governance
- Funding administration
- Coordinating regulatory and technical assistance needs
- Coordinating the adaptive management process
- Regional scientific monitoring and testing
- Acquisition and management of critical habitat lands
- Managing capital investments
- Providing web-based data management and communications support.

WLR retained EnviroIssues to conduct one regional focus group following the focus groups on SWM fee services and programs. Although a single regional focus group is insufficient to draw significant conclusions about regional opinions, focus group participants did strongly support regional water resource protection. However, most of the participants also thought that any new fees should be voluntary. Unfortunately, voluntary fees are unlikely to provide the stable, long-term funding that is required to make the needed investment in regional services. However, the WRIA efforts have been well received throughout the region, and the shared governance model has been a success. Therefore, implementing the WRIA plan is likely to be a high priority for elected officials.

Flood Hazard Reduction

The county's Flood Hazard Reduction program carries out the county's core public health and safety mission. In 2005, Flood Hazard Reduction plans will be completed, and implementing those plans will require significant additional resources. In 2005, as part of its evaluation of funding for regional services, WLR will work to identify means for additional funding for Flood Hazard Reduction projects and services.

Agriculture and Forestry

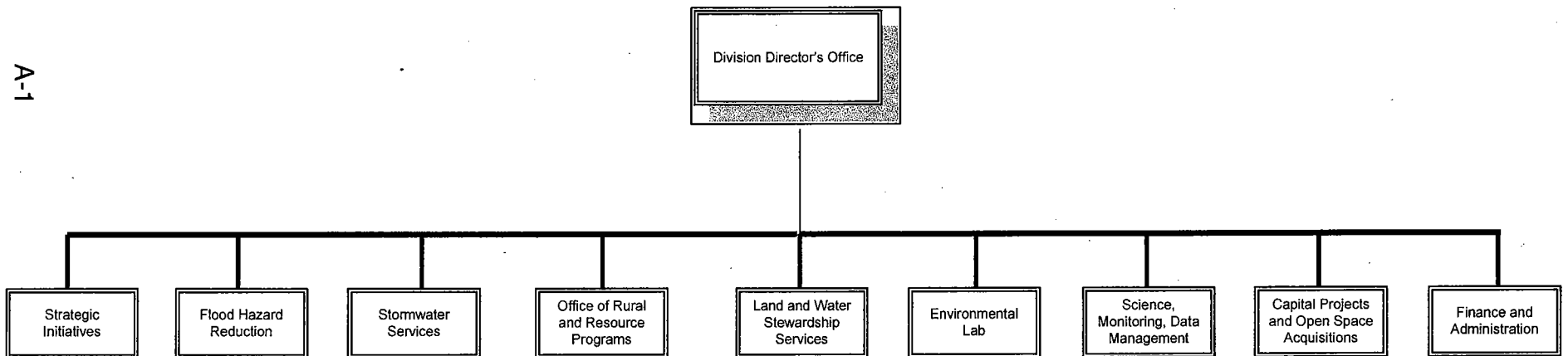
In 2005, WLR will also explore funding options for the county's agriculture and forestry programs. These programs were originally funded with general tax revenues from the county's Current Expense Fund. Agriculture and forestry programs that contribute to controlling storm water flow or protecting surface water quality are paid for with SWM revenues. However, as SWM revenue declines, new funding will need to be identified for many of the existing programs that provide general economic support to agriculture and forestry in order for those programs to continue. Therefore, WLR will work in 2004 and 2005 to identify long-term, stable funding sources for these programs.

Groundwater

WLR currently funds groundwater protection programs through a combination of SWM/RDP, Solid Waste, and WTD funds. WLR is working to continue these programs in 2005 through cost-sharing agreements with other jurisdictions and water purveyors, primarily through short-term interlocal agreements with other jurisdictions. However, a stable, dedicated funding source needs to be identified to ensure adequate groundwater protection over the long term. As a result, in 2005, WLR will evaluate several options for groundwater funding. These may include:

- State funding
- A local Board of Health fee
- An Aquifer Protection Area.

**APPENDIX A
2005 ORGANIZATIONAL CHART**



**APPENDIX B
PRIMARY FUNDING SOURCES AND SERVICES**

WATER AND LAND RESOURCES DIVISION 2004 ADOPTED OPERATING BUDGET

Manager, Finance & Administration (1) (2)	Strategic Initiatives	Ofc of Rural & Resource Programs	Land & Water Stewardship	Science, Monitoring & Data Management	Storm Water Services	Flood Hazard Reduction	Capital Projects & Open Space Acquisitions (3)
Division Management Finance/budget Accounting/Payroll Customer Accounts Office Support LAN/PC Support Human Resources Rate Development	RDP Implementation Policy & Performance Adaptive Mgmt Intergovernmental Watershed ILA Visual & Web Comm. Performance Measures	Noxious Weeds Forestry Agriculture Incentives Nat Lands Mgmt	Haz Waste Comm Outreach Grants GW Management Watershed Support Lakes Stewardship	Env Lab Data Mgmt Monitoring Assessment Analysis	Facility Maintenance Drainage Investigation Regs & Compliance NPDES Permit	River Fac Maint River Mgmt Prog Green River Prog	Acquisitions Ecological Srcs SWM Engineering Proj Coord/Tracking

Budget	8,954,097	3,531,785	3,330,474	6,873,999	11,097,631	10,928,533	4,502,932	326,324
Revenue								
SWM Fee	4,351,972	930,772	766,422	710,341	422,601	7,036,206		288,103
SWM Fund Balance	260,924	55,805	45,951	42,589	25,337	358,587		17,273
Rural Drainage Fee and RDP Fund Balance	216,173	196,825	587,803	578,388	511,245	2,387,414		
Other Fund Balances							534,066	
Local Hazardous Waste	383,014			3,559,168				
WTD Operating	2,677,644	182,648	16,750	1,774,275	8,959,925			
WTD Capital	295,134	87,972			602,914			
River Improvement Fund & Intercounty RIF							2,433,322	
Noxious Weed Program			948,000					
Grants/Service Charges/ILA's/Other (4)	769,236	2,077,763	965,548	209,238	575,609	1,146,326	1,535,544	20,948
Totals	8,954,097	3,531,785	3,330,474	6,873,999	11,097,631	10,928,533	4,502,932	326,324
	0	0	0	0	0	0	0	0

1. Revenues in Finance and Admin are shares of WLR overhead and indirect costs.
2. 2004 Increase due to one-time class/comp legal settlement of \$659,919.
3. CPOSA labor charged directly to capital projects. Residual budget is non-billable costs.
4. Includes grants, interagency service charges, ILA and service charges to cities and KCD.

2004 Budget Summary	
2004 Revenues	
Fund Balance	1,738,380
SWM Charges	14,506,417
Rural Drainage Fees	4,080,000
Local Hazardous Waste Fees	3,942,182
Wastewater Charges	14,597,262
Noxious Weed Fee	948,000
River Improvement Fund Levy	2,433,322
Grants/Interagency Services	4,481,782
King Conservation District Fees	669,434
ILA/Cities Services	2,148,996
2004 Total Revenues	49,545,775
2004 Total Expenditures	49,545,775

Estimated Fund Balance as adopted on 12/31/04 for all WLR Funds:
\$ 1,416,286

APPENDIX C

2004

- Local Urban & Rural Storm water Management
- Capital Projects & Acquisition
- Monitoring & Analysis
- Environmental Lab
- Flood Hazard Reduction
- Regional WRIA Planning & Technical Support
- Public Education & Grants
- Natural Lands & Rural Programs
- Stewardship
- Hazardous Waste Management

WLR TRANSITION Proposed for 2005

REMAINING SERVICES

- Local Urban & Rural Stormwater Management
- Capital Projects and Acquisition
- Monitoring and Analysis
- Environmental Lab
- Flood Hazard Reduction
- Regulatory Implementation (Technical Assistance e.g., CAO)
- Regional WRIA Planning
- Land Management

REDUCED SERVICES

- Agricultural Economies Support
- Lakes Stewardship
- Public Education & Outreach
- Division Administrative Support
- WRIA Technical Support (work completed)

NEW OR ENHANCED SERVICES

- CAO Implementation
- Increased Capital Project Construction
- Regional Role Enhancement (Normative Flows, Data Mgmt, ESA Financing)
- Wastewater Needs

Future

EXISTING FUNDING SOURCES

- Capital Projects
- Land Management
- Noxious Weeds
- Monitoring and Analysis
- Environmental Lab
- Flood Hazard Reduction
- Hazardous Waste Management
- Local Rural Surface Water Management

NEW ROLE WITH NEW REVENUE

- Regional WRIA Plan Implementation
- Expanded Land Management
- Regional Data Management
- Groundwater Protection

APPENDIX D ANTICIPATED ANNEXATION SCHEDULE

Potential Annexation Areas Forecast

	PAA	Annexing Cities	Projected Date of Annexation		
			1st Year	2nd Year	3rd Year
1	Klahanie	Issaquah	1/1/2006		
2	Renton East	Renton	1/1/2006	1/1/2007	
3	Finn Hill-Juanita-Kingsgate	Kirkland	1/1/2007		
4	North Highline	Seattle/Burien	1/1/2007		
5	West Hill	Renton/Seattle	1/1/2007		
6	Eastgate	Bellevue	1/1/2007		
7	East Federal Way	Federal Way	1/1/2008	1/1/2009	1/1/2010
8	Fairwood-Petrovitsky	Renton	1/1/2008		
9	Lea Hill remainder	Auburn	1/1/2008		
10	Kent Northeast (Panther Lake)	Kent	1/1/2009		

Notes:

Renton East will be annexed one-half at a time.

East Federal Way will be annexed one-third at a time.

APPENDIX E

PERFORMANCE MEASURES

Proposed Measures for WLR in 2005

The measures below are identified as new for 2005 and data will be collected *in addition* to the existing WLR measures. Targets will be developed for these measures by the end of 2004.

Environmental/Public Safety

- ❑ Percent of ratepayers reached with educational message.
- ❑ Percent of rural stewardship plans, forest stewardship plans and farm management plans completed.
- ❑ Capital productivity rate.
- ❑ Improvements in water quality in priority geographic areas.
- ❑ Improvements in habitat quality in critical habitat areas.
- ❑ Percent of identified areas purchased.
- ❑ Percent of planning recommendations implemented.
- ❑ Percent of identified class A and B Noxious Weeds that are controlled or eradicated.

Community Investment

- ❑ Dollars and hours leveraged from grant programs.

Leadership

- ❑ Percent of other jurisdictions in KC using monitoring data.

Price of Service

- ❑ Cost per educational interaction.
- ❑ Cost per acre of weed eradication.
- ❑ Cost per acre for best Management/CAO Plans.
- ❑ Cost per volunteer hour received.
- ❑ Percent of CIP projects completed within the initial scope and budget.
- ❑ Cost per hour of particular services

Customer Satisfaction

- ❑ CAO customer satisfaction.
- ❑ Storm water ratepayer satisfaction.
- ❑ Percent of facilities within jurisdictions transferred

APPENDIX F 2005 FTE REDUCTIONS

Water and Land Resources Division												
Summary of Staffing Changes By Section												
2004 Adopted Budget to 2005 Executive Proposed												
	2004 Adopted		Reductions		New		Transfers		TLT to FTE Conversions		2005 Exec Proposed	
Section	FTE's	TLT's	FTE's	TLT's	FTE's	TLT's	FTE's	TLT's	FTE	TLT	FTE's	TLT's
Managers Office	4.00										4.00	-
Stormwater Services	31.90		(1.00)								30.90	-
Capital Projects and Open Space Acquisitions	51.00	2.00					1.00				52.00	2.00
Flood Hazard Reductions	11.50	0.33	(1.00)		2.00						12.50	0.33
Land and Water Stewardship Services	57.44	2.00	(6.75)	(1.00)	1.68				(0.90)		51.47	1.00
Rural and Resource Programs	23.00	7.33	(2.00)		0.50						21.50	7.33
Environmental Lab	65.17	5.00		(2.00)			6.00		(1.00)		70.17	3.00
Science	59.00	5.50	(5.00)	(4.25)	2.60		(6.00)		(1.00)		49.60	1.25
Strategic Initiatives	23.90	7.50	(0.30)	(1.50)	1.00		-		3.00	(4.00)	27.60	2.00
Finance and Administration	28.69	1.00	(2.67)								26.02	1.00
Totals	355.60	30.66	(18.72)	(8.75)	7.78	-	1.00	-	0.10	(4.00)	345.76	17.91
FTE's = Full-time Equivalent Employees												
TLT's = Term-limited Temporary Employees												

APPENDIX G

List of Primary Existing Documents Used to Inform 2004 Business Planning Process

1. 2001 WLR Strategic Plan
2. 2001 Legal Analysis of WLR
3. WLR Services Directory
4. Logic Models
5. WLR Strategy and any Program, Section, Division or Department measures
6. Regional Needs Assessment and Regional Funding Task Force Recommendations
7. 2003/2004 Budget and Work Program documents
8. Barriers to Regional Funding
9. Stewardship Task Force White Paper Recommendations
10. Plans (FHRP, Farm, Forest, Basin, Lakes etc.)
11. Data from financial barriers task force and accountability task force
12. King County Comprehensive Plan
13. 1999 King County Executive Rural Drainage and Water Quality Proposal

APPENDIX H

SERVICE PRIORITIZATION CRITERIA

Prioritizing Water and Land Resources Division Services

A:

The service itself:

- 1) is required by law (i.e., the specific level of service is expressly required under applicable law that cannot be changed with reasonable County effort (e.g., federal or state law, but not King County Code provisions or short-term contracts) or will otherwise likely result in the County's being sued and losing or
- 2) provides a **direct** (i.e., no intervening action is necessary to effect the result) and **significant, measurable** environmental or public health **benefit** to a **large segment of the ratepayers or taxpayers** at a **reasonable cost**, and the service was critical to carrying out the purpose of the funding source; or
- 3) is an administrative function provided at a service level that is essential to the operation of the organization

B:

The service is:

- 1) necessary to measure the effectiveness of an "A" service or
- 2) provides a significant environmental or public health benefit at a reasonable cost, but may not be direct, or readily measurable, have be as critical to carrying out the purpose of the funding source or be provided to a large segment of the ratepayers as "A" services; or
- 3) is an administrative function that provides efficiencies that exceed the cost of the function

C:

Everything else:

Other issues:

- **Proportionate cost share services** – if we are paying more than our share that portion of the service should move to the next lower category.
- **Geographic location of service provision** – if we are using local funding disproportionately for regional services, those services should move to the next lower category.
- **If another service provider is available**, consideration should be given to moving the service to the next lower category
- **Client services** – probably do not need to treat differently for now. Whether we receive full cost recovery will affect reasonableness of cost.

APPENDIX I

EMPLOYEE SURVEY SUMMARY

Certain Major Themes from WLR Employee Survey

The responses from the employee survey were extremely informative. In all, 119 surveys were completed, resulting in more than 700 suggestions, which totaled more than 30 single-spaced pages. The list below provides a summary of certain major themes from the employee survey. Responses are generally not repeated in this summary, even if the same (or a similar) response was received for several questions.

Q. 1A Improving Business Practices

More frequent suggestions:

- **Focus on deliverables and enforce accountability** (define roles, focus on milestones, deliverables, and outcomes, improve project management, accountability)
- **Reduce unnecessary internal process**
- **Reduce administrative activities** (large meetings, retreats, organizational development; use more technology to reduce admin.)
- **Enforce performance standards; retain the best employees**
- **Prioritize services** by what is **legally mandated** and/or has a **strong connection to the purpose of the funding source**
- **Have one financial system**
- **Implement Matrix Management**
- **Consolidate Rivers, CPOSA and/or Storm water** services (all engineers in one place)
- **Consolidate CIP design and construction**
- **Better CIP project management**
- **Consolidate** (generally); **eliminate duplication**
- **Better communication** – let others know what we are doing
- **Keep more services in-house** (fewer consultants)
- **Eliminate testing services that are not cost effective**

Less frequent suggestions:

- **Group web design talent;** focus on full-time web developers
- **Share data**
- **Consolidate mailing lists** – use e-mail for outreach
- **Consolidate all field sampling**
- **Financial audits/accountability**
- **Turn over volunteer lakes monitoring to local communities**
- **Ask ratepayers/taxpayers what they are willing to pay for**

- **Consolidate stewardship and resource lands**
- **Eliminate middle management positions**
- **Have more responsive service to ratepayers be our unifying focus**
- **Allow other capable service providers to provide the services that they can** (nonprofits, UW)
- **Reorganize the division along discipline lines** (planning, engineering, scientists, etc.) **to prevent scope creep**
- **Focus on fewer services with a clear sense of purpose**
- **Get rid of Matrix Management**
- **Stop acquiring land**
- **Reduce annual reporting unless information will be used**
- **Improve coordination among sections**
- **Stop funding programs that have no evaluation of their effectiveness**
- **Be clearer about the WLR vision, mission, and goals, and share that effectively**
- **Stop maintaining ineffective storm water facilities**
- **Follow the Tina Miller model**
- **Consolidate RDP into the regular budget**

Q. 1B Highest priority services in your section

Most WLR services were identified and few common themes emerged. The list of responses will be available on the intranet.

Q. 1C Which three services would you eliminate in your section?

Administration/management(2)
 Bioassay testing services
 Budget preparation
 Buying land(4)
 CAO support
 Car wash kits(2)
 CIP projects without funding for monitoring
 Community Rating system
 Contract management(2)
 Data collection (free-wheeling)
 Data management group(2)
 Division-wide AV checkout(2)
 Environmental Grants(2)
 Farm Expo
 Fish Ditch(3)
 Garden Club
 Home buyouts in flood plains/home elevation
 Land management (outsource)
 Matrix Management
 Monitoring and monitoring reports(5)

Neighborhood Drainage Assistance Program
 Organics lab
 Performance measures
 Planning (excessive)(2)
 Project Summaries
 Public outreach(2)
 Publications production
 Puget Sound Fresh(2)
 R&D
 R/D/ Maintenance to ineffective facilities(2)
 Reimbursable work (2)
 Russ buoy(2)
 Services w/in incorporated areas w/o ILAs
 Storm drain stenciling(2)
 Strategic Initiatives (2)
 SWM Fee Discount Program
 Testing for research purposes
 UPDs(2)
 Volunteer coordination(3)
 West Nile response
 WQ sampling that can be done by consultants
 WRIA support (6)

Q. 1D What is the single most important thing WLR could do to maximize ratepayer value?

- **Do not use SWM money for regional services**
- **Hire and retain professionals**
- **Accountability**
- **Educate ratepayers about WLR services**
- **One financial system**
- **Eliminate deadwood**
- **Focus on deliverables**
- **Merge CIP programs**
- **Provide tangible benefits to ratepayers**
- **Listen to ratepayers/taxpayers**
- **Consolidate similar work groups**
- **Provide cost-effective services**

Q. 2 What should WLR's Mission be?

Responses varied widely. The list of responses will be available on the intranet.

Q. 3 Other Suggestions:

- Provide **regional services, regional fee**
- Don't shape the business to fit the existing people of the organization
- Way too much emphasis on how we do things as opposed to what we do
- Get bigger, not smaller
- No more reorganizations after this one
- **Be truthful**; don't make promises that you cannot keep
- **Present a recommendation** rather than options; it is much easier to respond to a proposal than to get this division to reach consensus
- Business planning process must **involve staff**
- Read the ***Art of the Long View***
- Sections compete with one another for funding and survival
- Evaluate stewardship programs
- Get someone besides 25-year bureaucrats to do business planning (private sector consultant, etc.)
- **More efficiency in how decisions are made**; projects suffer from decision-making paralysis
- Significantly **reduce services**
- **More public involvement**
- **Get out more in the field**

APPENDIX J

BUSINESS PRACTICES RECOMMENDATIONS SUMMARY

• WLR will use performance measures to ensure that its services maximize value to citizens
• Managers will place increased emphasis on setting and enforcing employee performance standards – and accurately documenting performance.
• Planning, process, and administrative activities will be limited to the extent necessary.
• Annual reporting will be curtailed or eliminated, where possible.
• Management will review internal procedures to see if changes can be made to minimize administrative time and streamline approval processes
• Prioritize maintenance and repairs on facilities that provide the most effective storm water control
• Core project teams are as small as possible
• Transfer facilities inside of incorporated areas to jurisdiction
• Identify the significant water resources problems that are most effectively addressed through educational efforts & focus on those behaviors that are easiest to change
• Focus on those education programs that are designed to address a large percentage of the total population
• Determine cost for various outreach and educational efforts
• Focus programs on those populations that are within service areas
• Focus education programs on those populations that have not accessed services or participated in events
• Explore the increased use of technology
• WLR grants programs will modify funding criteria to be consistent with the revised Mission and Vision and the service prioritization criteria identified in the business planning process.
• WLR will not longer seek to obtain grants on behalf of others
• Technical Assistance will focus on implementation of the Critical Areas ordinance permit process
• Evaluate the level and effectiveness of incentive programs and sunset programs that are not deemed effective.
• Evaluate the appropriate level of SWM Fee discount to public schools
• Collection of data will be prioritized as follows (monitoring that is required by law, monitoring for specific purposes, monitoring for general environmental conditions)
• WLR will continue to share data to ensure that duplication of testing does not occur
• A protocol for loading environmental data into DNRP's data warehouse will be developed
• Work in partnership with other agencies to develop regional environmental testing and monitoring protocols
• Increase centralization of the CIP Program by designating a single manager to oversee all aspects of the entire capital program
• Centralize planning activities that identify capital projects and ensure a strong connection between planning and implementation functions
• Improve CIP Project management by: assigning experienced project managers to all projects, identifying a single point of accountability for every project, tracking schedule and costs of projects and comparing that with estimates
• Develop clear policies for the priority for internal versus external capital projects
• SWM and RDP revenues should be treated the same for budgeting purposes but expenditures should continue to be tracked by geographic area
• Ensure implementation of Business Plan Recommendations and emphasis on CAO, WLR's regional role, CIP implementation and performance management