



June 29, 2010

**King County Flood District Advisory Committee
City of Snoqualmie Council Chambers
38624 SE River Street
Snoqualmie, WA**

Meeting Agenda

Meeting Facilitator: *Margaret Norton-Arnold*

1:30 p.m. Welcome and Meeting Overview

--Margaret

1:40 p.m. Update on Potential Tax Levy Rate Suppression

*--Presentation from King County Budget Director Dwight Dively,
with discussion from all members*

2:15 p.m. Break

2:25 p.m. Proposed 2011 Advisory Committee Recommendations

*--Presentation from Brian Murray with discussion from all
members*

Does the Advisory Committee agree with the draft position
statement on the 2011 budget and work program?

Does the Advisory Committee agree with the draft position
statement regarding the 2012-2016 capital program?

Does the Advisory Committee agree with the draft position
statement on flood district revenues?

3:30 p.m. Adjourn

King County Flood District Advisory Committee Preparation and Discussion Guide

This meeting of the Flood District Advisory Committee is focused on several very important issues. We will discuss each of them, and Brian Murray has prepared a draft “position statement” that lays out possible Advisory Committee positions. We will be asking for your overall level of agreement with the draft position statement, as well as any tweaks/edits you may suggest for inclusion in the Advisory Committee’s final report.

Please read the attached Draft Position Statement prior to the meeting.

Issue #1: Flood District Revenue

We will start with the issue of revenue, particularly the potential impacts of tax levy rate suppression in response to declining property values. Dwight Dively, Director of King County’s Office of Management and Budget will present information on this issue and its potential implications for Flood Control District revenue.

You’ll have time to ask questions about this to inform your response, if necessary, to the proposed recommendations below.

Issue #2: 2011 Budget and Work Program Recommendations

Previous conversations regarding the 2011 budget recommendations have focused on the capital program. Brian will provide an overview of the programmatic aspects of the District’s flood risk reduction efforts, similar to presentations you have seen in previous years. You’ll note that Brian is suggesting in the draft policy statement that, due to revenue uncertainties, these 2011 budget recommendations serve as a ‘placeholder’ for 2011 only and that you not make any additional capital program recommendations for 2012 and beyond. Again, we will ask for your levels of support/disagreement with the draft position statement.

Issue #3: 2012-2016 Capital Program

We discussed the possibility of the Flood District providing funding for new proposals such as Seattle’s seawall project at our last meeting. At that meeting, most advisory committee members felt there needed to be greater clarification on the actual scope of the flood district’s capital program for coastal construction projects from the Board, but did not want to necessarily wait for that clarification until the 2012 Flood Plan Update is completed. Brian is suggesting in the draft position statement that you ask the Board of Supervisors for that clarification in the near future, so that Seattle and other jurisdictions will have greater clarity as they seek funding partnerships, and that the 2012-2016 capital program recommendations be deferred until the first quarter of 2011 when the policy and revenue issues and clarified.

We will be asking for your relative level of agreement/disagreement with the draft position statement regarding this issue.

DRAFT - Potential Advisory Committee Position Statement for 2011

The King County Flood Control District Advisory Committee was established to provide the Board of Supervisors with “important input on flood protection needs and priorities throughout King County to ensure that flood protection projects and programs are implemented efficiently and effectively” (King County Council Ordinance 15728). Advisory Committee input and discussions have played an extremely valuable role in informing the Board of Supervisors since the Flood Control District was formed in 2007. For the 2011 budget process, however, the Advisory Committee is challenged to provide detailed recommendations to the Board of Supervisors in light of the following sources of uncertainty:

(1) Flood District revenue levels:

Flood District revenue for 2011-2016 is currently uncertain as a result of the strong potential for countywide tax levy suppression required by the \$5.90/\$1,000 assessed value property tax limit, as well as recent property tax proposals by the King County Council. The exact implications for the Flood District cannot be known until at least December 2010 when property assessments are final, property tax ballot measures are voted on and certified, and the resulting levy rate total can be accurately determined.

(2) Flood District capital program scope:

While the Advisory Committee members will provide input regarding recent new projects proposals requested of the Flood District in the Annual Report to the Board, specific recommendations for the 6-year capital project list require clarification from the Board regarding whether marine coastal construction projects are within the intended scope of the Flood District’s capital program. Seattle’s proposed project is a regional priority and need, and several regional agencies have documented the technical reasons that seawall replacement is needed. However, in the absence of policy guidance it is unclear if the Flood District is an appropriate fund source for this need. In light of the regional significance of the Seattle Seawall, the Advisory Committee further requests that the Board provide this clarification before the scheduled 2012 King County Flood Plan Update so that Seattle and other jurisdictions with marine coastal shoreline will have greater clarity as they plan their work and seek funding partnerships.

Despite these considerable uncertainties, the Advisory Committee recognizes that the ordinance establishing the Advisory Committee requires recommendations by August 31, 2010 so that 2011 budgets can be submitted. In light of these uncertainties and the fact revenue issues and policy questions will not be resolved by the August 31 deadline, the Advisory Committee recommends the following:

1. 2011 Budget and Work Program Recommendations

The Advisory Committee recommends using the staff recommendations *as a placeholder for the 2011 budget process*, with the expectation and understanding that the 2011 capital and operating budget assumptions will be revisited by the Advisory Committee in the first quarter of 2011 once revenue levels are determined and policy questions related to construction in marine coastal areas are resolved.

2. Capital Program Recommendations for 2012-2016

The Advisory Committee is not providing capital program recommendations for years beyond 2011. The Advisory Committee recommends that the Board request Advisory Committee input by March 31 2011 once the policy question and revenue projections are clarified.

If the Board considers expanding the scope of the capital program to fund the Seawall in all or in part, the Advisory Committee encourages the Board to explore alternative funding options such as bonding (which would require a public vote) so that the impacts on other high-priority capital projects is minimized.

3. Flood District Revenue Recommendations

The Advisory Committee reaffirms its support for full funding for the Flood District's 6-year capital program. Flooding continues to pose significant threats to public health and safety, transportation corridors and economic activities throughout King County. The Advisory Committee wishes to call the Board's attention to three significant revenue and expenditure assumptions that have changed since the District was established:

1. Since the adoption of a 10-year capital work program in 2007, revenue over a 10-year period has effectively been reduced by \$66 million due to the removal of the River Improvement Fund (RIF) of approximately \$3M/year and the creation of the Subregional Opportunity Fund at a cost of approximately \$3.6M year.
2. The District's flood response needs grew by \$17 million in 2009 as a result of the flood disaster and the compromised status of the USACE Howard Hanson Dam.
3. While some interim measures have been implemented to reduce flood risks for the Green River valley, a long-term fix for the USACE Howard Hanson Dam has not been completed, nor has full federal funding been appropriated.

The Advisory Committee offers the following to the Board regarding for consideration:

- The Board should seek full funding of the Flood District's work program so that the integrity of the District's work program can be maintained.
- The Advisory Committee recommends that the Board consider seeking state legislative changes necessary to make Flood Control Districts a similar priority as



other public safety tax levies, or seek legislative changes that would make flood districts exempt from the \$5.90 levy rate cap.

- The Advisory Committee encourages the Board of Supervisors to pursue all possible avenues to reduce the impacts of tax suppression on Flood District Funding.

NOTE: The Advisory Committee could also consider including recommendations for a 'contingency plan' if revenue is reduced.

- If Flood District revenue levels are lower than previously anticipated due to tax suppression, the Advisory Committee recommends a thorough re-evaluation of the capital program (including flood risk priority scores) by the Basin Technical Committees and Advisory Committee. Similar to the 2010 budget reallocation following the Green River emergency response effort, this capital program reallocation should be guided by the following principles:
 1. Projects should not be deferred when there has been a significant investment to date and the project is ready to proceed, the project involves a partnership and/or leveraging of funds, or when there are contractual obligations.
 2. Any revised project list should focus on the highest priority life safety projects while recognizing the importance of leveraging external funds.
 3. Projects should be considered for deferral if landowners are unwilling to provide right-of-way or other property needed for the project, or if grants or partnerships assumptions are no longer valid.