

September 5, 2008

The Honorable Julia Patterson
Chair, King County Flood Control Zone District Board of Supervisors
Room 1200
C O U R T H O U S E

Dear Supervisor Patterson:

This letter transmits to the King County Flood Control Zone District (District) Board of Supervisors the final 2008 report and recommendations of the District Advisory Committee, consistent with King County Council Ordinance No. 15728.

In accordance with State law, the Ordinance also created a 15-person Advisory Committee to provide expert policy advice to the District Board of Supervisors on regional flood protection issues. Ordinance No. 15728 specifically directed the Advisory Committee to review and recommend an annual work program and budget for the District, including capital improvement projects and funding levels.

The Advisory Committee includes the Mayors (or an alternate) from the following Cities: Tukwila, Auburn, Kent, Renton, Snoqualmie, North Bend, Carnation, Seattle and Bellevue, as well as a representative of the Unincorporated Area Councils, the King County Executive, and four representatives nominated by the Suburban Cities Association (SCA).

Advisory Committee members who attended the meetings included:

City of Auburn: Mayor Pete Lewis and Councilmember Bill Peloza (alternate)

City of Bellevue: Mayor Grant Degginger

City of Carnation: Mayor Mike Flowers

City of Federal Way: (representing SCA): Mayor Michael Park

City of Kent: Mayor Suzette Cooke

King County: County Executive Ron Sims

Unincorporated Area Councils: Richard Bonewits

City of Kirkland: (representing SCA): Deputy Mayor Joan McBride

City of Maple Valley: (representing SCA): Mayor Laure Iddings

City of North Bend: Mayor Kenneth Hearing

City of Renton: Mayor Denis Law

City of Seattle: Councilmember Bruce Harrell

City of Shoreline: (representing SCA): Councilmember Ron Hansen

City of Snoqualmie: Mayor Matt Larson

City of Tukwila: Mayor Jim Haggerton

The KCFCZD Advisory Committee met three times during April and May 2008 to review and provide input on the Subregional Opportunity Fund, capital project evaluation factors, and the KCFCZD's proposed 2009 work program. In order to complete their work, committee members heard presentations from King County staff; engaged in group discussions; received input from members of the Basin Technical Committees (BTCs) (which are composed of City engineering and technical staff); participated in staff briefings; and conducted preliminary "temperature read" votes that allowed the members to better understand each others' interests and perspectives.

Final voting on the Advisory Committee's 2009 recommendations occurred at the May 28 meeting. Staff offered to schedule an additional meeting if Advisory Committee members felt there was a need for more time to review and discuss the 2009 budget, but the Advisory Committee members agreed that ample discussion and review of all issues had occurred.

Meeting materials are attached as appendices to this report, and are also available at: <http://www.kingcounty.gov/environment/waterandland/flooding/flood-control-zone-district/governance/advisory-committee.aspx>

(1) The Advisory Committee unanimously agreed (15-0) on the following recommendations regarding the Subregional Opportunity Fund created by Resolution FCZD2007-003.

- ❑ The 10 Percent Subregional Opportunity Fund should be allocated back to jurisdictions in proportion to what each jurisdiction contributes through its tax base to the KCFCZD. In unincorporated areas of King County, the funding allocation will be apportioned based on assessed value to the Potential Annexation Areas and the remaining unincorporated areas of King County.
- ❑ Jurisdictions should have flexibility to determine which types of activities they wish to finance with these funds, so long as those activities are consistent with chapter 86.15 RCW.
- ❑ Jurisdictions should have flexibility to determine where these funded projects should be located.

2) The Advisory Committee unanimously endorsed (15-0) the capital project evaluation approach, recommending that regional economic benefits be added as one criterion for project prioritization and that specific implementation factors be used to prioritize projects.

3) The Advisory Committee unanimously recommended a 2009 work program and budget (13-0).

4) The Advisory Committee informally recommended the development of policies regarding the use of condemnation authority for flood protection capital projects.

These recommendations are discussed in greater detail in the enclosed report.

State law provides for the District Board of Supervisors to adopt a resolution concurrently with the County budget to authorize the implementation of flood protection projects and associated funding. Consistent with State law, this resolution will be transmitted consistent within that timeframe.

I appreciate the leadership of the Supervisors on flood protection issues. With the upcoming flood season fast approaching, our work to continue to implement the Advisory Committee's recommendations is particularly important. I know we share the common goal of working proactively to protect our citizens, their property, and the regional economy from the ravages of flooding.

King County staff is happy to provide briefings on the Advisory Committee meetings. If you have specific questions, please do not hesitate to call Mark Isaacson, Division Director in the Water and Land Resources Division of the Department of Natural Resources and Parks, at 206-296-6587.

Sincerely,

Ron Sims
King County Executive

Enclosures

cc: KCFCZD Supervisors
ATTN: Kjristine Lund, Executive Director, King County Flood Control Zone District
Ross Baker, Chief of Staff, King County Council
Saroja Reddy, Policy Staff Director, King County Council
Anne Noris, Clerk of the Board
King County Flood Control Zone District Advisory Committee Members
Bob Cowan, Director, Office of Management and Budget
Theresa Jennings, Director, Department of Natural Resources and Parks (DNRP)
Mark Isaacson, Division Director, Water and Land Resources Division, DNRP

**King County Flood Control Zone District
Advisory Committee
2009 Final Recommendations**

August 31, 2008

BACKGROUND

On April 16, 2007, the Metropolitan King County Council passed Ordinance No. 15728, creating a countywide flood control zone district (KCFCZD), in accordance with chapter 86.15 RCW. Consistent with State law, the Ordinance dissolved existing flood control zone districts within the County and appointed a 15-person advisory committee to advise the KCFCZD Board of Supervisors. Under chapter 86.15, the KCFCZD Board of Supervisors is comprised of the members of the County Council.

The Ordinance that created the KCFCZD included the following findings:

- ❑ Following the 2006 flooding, King County was declared a federal flood disaster area for the eighth time since 1990.
- ❑ According to University of Washington scientists, climate change is projected to increase the frequency of flooding in most western Washington river basins. Floods in future years are expected to exceed the capacity and protective abilities of existing flood protection facilities, thereby threatening property, lives, major transportation corridors, communities and regional economic centers.
- ❑ Throughout King County there are nearly 500 aging flood protection facilities that cannot be repaired or maintained adequately because of revenue limitations. Investigations following the 2006 flood disaster determined that 78 of those facilities have sustained damage. In addition, there are significant needs for new or enhanced flood protection facilities and measures throughout the county.
- ❑ The one hundred-year floodplain in King County covers more than 25,000 acres or almost 40 square miles. County flood protection facilities protect property with an estimated assessed valuation of more than \$7 billion.
- ❑ Flood control needs exist throughout the county, and an integrated and coordinated approach is needed to effectively and efficiently address those needs to ensure that public safety, property and economic base are protected.
- ❑ RCW 86.15.070 authorizes the board of supervisors of a flood control zone district to appoint a countywide advisory committee of up to 15 members. A countywide advisory committee can 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.

The Ordinance provided for the Advisory Committee to be comprised as follows: the mayors (or an alternate) from the following cities: Tukwila, Auburn, Kent, Renton, Snoqualmie, North Bend, Carnation, Seattle and Bellevue, as well as a representative of the Unincorporated Area Councils and four representatives nominated by the Suburban Cities Association (SCA).

The Ordinance directed the Advisory Committee to provide expert policy advice to the Board of Supervisors of the KCFCZD on regional flood protection issues and to review and recommend an annual work program and budget for the KCFCZD, including capital improvement projects (CIP) and funding levels.

RECOMMENDATIONS

As described in greater detail below, the Advisory Committee made the following recommendations:

- **The Advisory Committee provided the following unanimous recommendations for the Subregional Opportunity Fund:**
 - 1) The 10-Percent Subregional Opportunity Fund should be allocated to jurisdictions on a pro rated basis.
 - 2) Jurisdictions should have flexibility to determine which types of activities they wish to finance with these funds, so long as those activities are consistent with RCW 86.15.
 - 3) Jurisdictions should have flexibility to determine where these funded projects should be located.
- **The Advisory Committee recommended that “regional economic benefits” be added as one of the criteria for project prioritization and that specific implementation factors be used to prioritize projects.**
- **The Advisory Committee unanimously recommended a 2009 work program and budget.**
- **The Advisory Committee made an informal recommendation that the KCFCZD Board establish a policy guiding the appropriate use of condemnation authority to ensure that high-priority public safety projects providing regional benefits are not stymied by recalcitrant owners.**

OVERVIEW

The KCFCZD Advisory Committee met three times during April and May 2008 to review and provide input on the Subregional Opportunity Fund, capital project evaluation factors, and the KCFCZD's proposed 2009 work program. In order to complete their work, committee members heard presentations from King County staff; engaged in group discussions; received input from members of the Basin Technical Committees (BTCs) (which are composed of City engineering and technical staff); participated in staff briefings; and conducted preliminary "temperature read" votes that allowed the members to better understand each others' interests and perspectives.

Final voting on the Advisory Committee's 2009 recommendations occurred at the May 28 meeting. Staff offered to schedule an additional meeting if Advisory Committee members felt there was a need for more time to review and discuss the 2009 budget, but the Advisory Committee members agreed that ample discussion and review of all issues had occurred.

Committee members who attended the meetings included:

City of Auburn: Mayor Pete Lewis and Councilmember Bill Peloza (alternate)

City of Bellevue: Mayor Grant Degginger

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City of Federal Way: (representing SCA): Mayor Michael Park

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THE COMMITTEE PROCESS

As noted previously, the KCFCZD Advisory Committee met three times in the spring, on April 4, May 8, and May 28. Information on the KCFCZD's Opportunity Fund, capital project evaluation approach, and the proposed 2009 work program was presented and discussed at each of the Committee's three-hour meetings. There was strong attendance and extensive participation at every meeting.

The Advisory Committee conducted “temperature read” votes on April 4 and May 8. In a round robin format, committee members indicated their early opinions about the Opportunity Fund and the proposed 2009 work program. This early voting mechanism enabled all of the members, as well as King County staff, to note where there were areas of support, concerns, or questions that needed to be answered. This was also a way for all of the members to more thoroughly understand each others’ interests and perspectives.

The Advisory Committee’s deliberations were supported by staff-level BTCs in each of the four major river basins within King County (South Fork Skykomish and Snoqualmie, Green-Duwamish, Cedar-Sammamish, and White). Staff from all jurisdictions in King County were invited to participate in these meetings. The BTCs first met in advance of the Advisory Committee’s schedule, and reviewed, analyzed and provided input on the following:

- Subregional Opportunity Fund allocation method and eligibility criteria,
- Basin-specific information on flooding problems in each basin,
- Capital project flood risk reduction scores initially generated during 2007,
- Implementation factors used to guide sequencing of prioritized capital projects, and
- Proposed 2009 capital project list in each basin.

The 2008 meetings of the Advisory Committee continue the process initiated in 2007, and the Committee will continue to make annual recommendations to the KCFCZD Board of Supervisors.

COMMITTEE RECOMMENDATIONS TO THE KCFCZD BOARD OF SUPERVISORS

(1) The Advisory Committee unanimously agreed (15-0) on the following recommendations:

- 1) The 10-Percent Subregional Opportunity Fund should be allocated back to jurisdictions in proportion to what each jurisdiction contributes through its tax base to the KCFCZD. In unincorporated areas of King County, the funding allocation will be apportioned based on assessed value to the Potential Annexation Areas and the remaining unincorporated areas of King County.
- 2) Jurisdictions should have flexibility to determine which types of activities they wish to finance with these funds, so long as those activities are consistent with RCW 86.15.
- 3) Jurisdictions should have flexibility to determine where these funded projects should be located.

The Advisory Committee recommendations were informed by several options developed by the BTCs and discussed with staff from other jurisdictions that have not been able to directly participate in the BTC meetings. The Advisory Committee was presented with the following questions and BTC recommendations:

1. Allocation Method: Should the Opportunity Fund be allocated through a competitive process, or should funds be allocated to each jurisdiction in proportion to its contribution to the KCFCZD's revenues?

BTC Recommendation: Allocate proportionally to each jurisdiction.

2. Eligible Activities: Should the Opportunity Fund focus narrowly on flooding problems or more broadly to include watershed management activities that are authorized under the statute?

BTC Recommendation: Broad eligibility.

3. Geographic Scope: Should the Opportunity Fund be constrained to those stream systems that are not included in the KCFCZD's Comprehensive Plan, or cast more broadly to include any surface water body? For reference, the systems named in the KCFCZD's Comprehensive Plan are: South Fork Skykomish, Snoqualmie, Cedar, Green, White, Sammamish, Tolt, Miller, Raging, and Greenwater, Kimball, Issaquah, Coal (Snoqualmie), Tokul, Fifteenmile, and Holder.

BTC Recommendation: Broad geographic scope.

A strong and consistent message from the Advisory Committee and jurisdictional staff is that the Opportunity Fund should be distributed in a simple, straightforward, and transparent manner that is responsive to opportunities identified by the jurisdictions themselves.

There is also broad support for allocating funds to each jurisdiction proportional to its contribution to the KCFCZD's revenues. Jurisdictions are also supportive of a broad eligibility and geographic scope so that each jurisdiction can make its own choices regarding the most important watershed management needs and opportunities in its jurisdiction. Under this broad eligibility, activities could go beyond flood and stormwater management to include projects to enhance water quality or improve habitat.

During the discussions, Executive Sims raised a concern that the pro rated allocation would result in funding levels in small cities that would not be sufficient to fund projects. Other members noted that King Conservation District faces similar issues with funds allocated to each city, and stated that the problem was addressed by either using the funds to leverage other fund sources or allowing the annual amount to accumulate over a few years until it was sufficient to fund an activity. The possibility of partnering across jurisdictions to fund common solutions to shared problems was also suggested.

Executive Sims also expressed concern that widening the eligibility to include activities other than flooding could dilute the public safety focus of the KCFCZD. Other members agreed that public safety is the primary concern of the KCFCZD, but noted that in many smaller, urban

streams the issues of flood protection, drainage, water quality, and habitat were intermingled and often supported by a project that supports multiple objectives. Despite these concerns, the Advisory Committee unanimously recommended broad eligibility consistent with the statute.

2) The Advisory Committee unanimously endorsed (15-0) the capital project evaluation approach, recommending that regional economic benefits be added as one of the criterion for project prioritization and that specific implementation factors be used to prioritize projects.

During 2007, the BTCs independently reviewed and evaluated proposed capital projects based on flood risk reduction factors identified in the 2006 Flood Plan, including consequence, severity, and urgency. The Advisory Committee supported the project prioritization approach, but asked for greater clarity regarding the way in which projects are sequenced over the six-year CIP timeframe. Based on BTC recommendations, the Advisory Committee recommended refinements to the project evaluation process to make implementation factors more transparent. These factors include readiness, leveraging, multi-objective floodplain management, long-term maintenance, and participation in programmatic activities intended to reduce flood risks.

It is important to note that these implementation factors do not in any way influence the flood risk prioritization score, which is a separate evaluation of the consequences, severity, and urgency of flood risks. By evaluating projects against both sets of criteria, the Advisory Committee was able to discuss basin-specific implementation strategies and inform the Board's decisions about the most strategic way to sequence projects. The purpose of the implementation factors is simply to help guide the sequencing of priorities. By evaluating flood risk reduction and implementation factors, appropriate strategies can be developed to ensure that high priority projects are implemented and any constraints (such as landowner willingness) are identified and addressed. For example, landowner willingness is often a constraint for levee setback projects, especially when multiple landowners are involved. In response to this situation, high priority projects that simply require an easement from one landowner (i.e., the Jan Road and Herzmann Levee setbacks on the Cedar or the Briscoe 1-3 and 5-8 levees on the Green River) are proposed to start in 2009 while negotiations are initiated on other projects that will require additional time to acquire the necessary property interests.

3) The Advisory Committee unanimously recommended a 2009 work program and budget (13-0).

The BTCs reviewed the flood risk reduction scores and developed implementation scores for each project on the KCFCZD's 10-year capital program. Based on the discussion of priorities in each basin and the opportunities and constraints influencing the implementation of these priorities, the BTCs recommended a strategy and capital project list for each basin.

The Advisory Committee was presented with detailed information about proposed 2009 capital projects at their May 8 and May 28 meetings. The proposed capital projects were presented along with information on the flood risk reduction strategy for each of the major river basins, and the application of implementation factors to sequence projects over the six-year CIP was discussed at length. The Advisory Committee was also presented with an overview of each of the operating

elements of the work program, such as flood warning and post-flood response activities, flood facility maintenance, flood and channel migration hazards, public outreach, and grant development. At the May 28 meeting, staff presented the proposed budget, including staffing levels and the assumptions used to develop capital project costs, allocate those costs by year for multi-year projects, and inflate costs over time.

The Advisory Committee also discussed the need for flexibility in acquiring properties necessary to support capital projects. Floodplain buyouts such as the recently completed Cedar Grove Mobile Home Park Acquisition in the Rainbow Bend area of the Cedar River are often completed one parcel at a time over multiple years, and landowner willingness is driven by many other factors besides a project's location on the KCFCZD's CIP list. In recognition of this, the Advisory Committee discussed the need to move forward on acquisitions as opportunities arise across projects on the six-year CIP list. This approach allows projects to progress with voluntary landowners until sufficient land is acquired to complete the proposed capital project.

As part of the capital project discussion, staff raised the issue of moderate priority flood risk reduction projects with high implementation potential (i.e., ready to proceed with completed design and permits, leveraging of external resources, etc.). Because projects in this category have moderate rather than high flood risk benefits, the Board may wish to constrain expenditures in this category in one or more of the following ways:

- Projects below a specified flood risk reduction percentage should leverage more than two dollars for every KCFCZD dollar.
- Projects below a specified flood risk reduction percentage should not exceed a maximum dollar amount.
- The cumulative total of projects below a specified flood risk reduction percentage should not exceed more than a specified percentage of the KCFCZD's capital expenditures in a given year.
- Projects scoring below a specified percentage should not be eligible for KCFCZD funds.
- In weighing whether these projects should be funded, the Advisory Committee should consider other higher scoring projects that may have to be re-sequenced if these projects receive funding.

Two projects supported by the BTCs and presented to the Advisory Committee at the May 8 meeting fell into this category of moderate flood risk reduction priority but high implementation potential, and were not recommended by County staff in the 2009 capital project list. Those projects were the Tolt Mouth to SR 203 Floodplain Reconnection (\$700,000) and the Middle Green Acquisition (\$500,000). Staff did not recommend these projects for the 2009 project list because neither project had a flood risk reduction score above 66 percent.

Committee members generally agreed with the CIP list and the accompanying budget, but were concerned that King County had removed the Tolt River Mouth Project from the list, especially since the BTC had elected to keep that project on the CIP list. The Advisory Committee directed staff to include the Tolt River Mouth to SR 203 Floodplain Reconnection project in the recommended 2009 project list.

Two members of the Advisory Committee spoke in support of the staff recommendation, emphasizing the importance of implementing the highest priority flood protection projects. These members raised concerns that inclusion of the Tolt project would adversely impact implementation of higher priority projects. Committee members asked if the inclusion of the Tolt project would result in the delay of high-priority capital projects beyond 2009. Staff explained that many of the larger projects have significant acquisition components that are currently assumed to occur in the first year of the project. In some cases (such as projects requiring the acquisition of multiple parcels for multi-year projects) these acquisition costs could be phased over the first and second year of the project without delaying the project.

After full discussion, the 13 Advisory Committee members present voted unanimously to support the 2009 CIP list and budget, with the following changes:

1. The Tolt River Mouth project be returned to the list.
2. Some of the acquisition costs currently allocated to the first year of the project could be reallocated to the second year if necessary, so long as these reallocations do not hinder implementation in 2009.
3. Inflation assumptions should be updated to ensure that recent increases in fuel and materials costs were accurately reflected.
4. The emergency reserve should be sufficient for emergency flood response and grant matching purposes.

One member was concerned about the increases in full-time staff with the formation of the KCFCZD, noting that 34 FTEs seemed excessive. Staff explained that various staffing models were evaluated in the formation of the KCFCZD, and the current approach includes a consultant component as well as staff to implement the significantly increased capital program. Other Advisory Committee members supported the staffing levels, noting that the long-term rehabilitation and maintenance of high-priority flood protection infrastructure is most cost effective when there is institutional knowledge and expertise in place.

Staff offered to schedule an additional meeting if Advisory Committee members felt there was a need for more time to review and discuss the 2009 budget, but the members agreed that ample discussion and review of all issues had occurred.

4) The Advisory Committee recommended the development of policies regarding the use of condemnation authority in support of flood protection capital projects.

During the discussion of the 2009 recommended capital projects, members asked for a more detailed policy regarding the use of condemnation power by the KCFCZD. Members were concerned the important public safety projects that are otherwise ready to be implemented might be “held hostage” to one unwilling seller. Staff provided a draft paper summarizing policies affecting the use of eminent domain for flood risk reduction purposes. The 2006 King County Flood Hazard Management Plan serves as the KCFCZD’s comprehensive plan, and includes the following policy statement “Property acquisition for flood risk reduction projects should be

voluntary on the part of the property owner, except under very limited circumstances.” These “limited circumstances” are not currently defined, and the Advisory Committee has asked staff to propose policy options at a future meeting.

CONCLUSION

The Advisory Committee reviewed significant amounts of information on the Opportunity Fund, the proposed 2009 work program, and the proposed 2009 budget to reach its conclusions. There was strong participation and robust discussion among the representatives. The Advisory Committee reached unanimous recommendations on each issue; members agreed that ample discussion had occurred regarding the final recommendations and an additional meeting was not necessary before recommending the 2009 capital work program and budget.

Attachments:

A. April 4 Advisory Committee Meeting Materials

1. Meeting Agenda and Overview
2. 2008 Capital Project Status Summary
3. 2008 Recommended 10-year Capital Project List
4. 2009 Proposed Capital Project Evaluation Approach
5. Proposed Allocation of Subregional Opportunity Fund
6. Staff Presentation on the Subregional Opportunity Fund
7. April 4 Meeting Summary

B. May 8 Advisory Committee Meeting Materials

1. Meeting Agenda and Overview
2. Proposal for Evaluating Regional Economic Benefits of Capital Projects
3. 2009 Capital Project Evaluation Results
4. FCZD By-Laws
5. Proposed 2009 Capital Projects Staff Presentation
6. Proposed 2009 Operating Work Program Staff Presentation
7. May 8 Meeting Summary

C. May 28 Advisory Committee Meeting Materials

1. Meeting Agenda and Overview
2. Proposed 2009 Capital Program Strategy
3. Proposed 2009 Six-Year Financial Plan
4. Proposed 2009 Six-Year Capital Improvement Program
5. Proposed 2009 Capital Project Evaluation Results
6. Proposed 2009 Work Program and Budget Staff Presentation
7. Green River Flood Control Zone District Acquisition Policy
8. DRAFT Policies and Practices for the use of Eminent Domain for Flood Hazard Reduction Purposes
9. May 28 Meeting Summary

D. Final Advisory Committee Recommended 2009 capital project list and financial plan