Advisory Committee Meeting

July 28, 2011

Protecting public safety, the regional economy and critical infrastructure.
Flood Control District Work Program Overview

Flood Risk Reduction Approach:
- Identify hazards
- Assess risk and vulnerabilities
- Build awareness of hazards
- Develop a plan and strategy to reduce risks
- Actions to avoid risk
- Actions to reduce or mitigate risk
- Evaluation and adaptation

Flood District Work Program
- Flood Preparedness, Regional Flood Warning Center, and Post Flood Recovery
- Planning, Grants, Mitigation, and Public Outreach
- Flood Hazard Assessments, Mapping, and Technical Studies
- Resource Management, Annual Maintenance, and Facility Monitoring
- Capital Projects
2012 Budget Elements:
How do we deliver the work program?

- **District Administration**
  - Executive Services, Legal, Communications, Accounting
  - Scope and budget determined by Board

- **Capital Program**
  - Flood facility rehabilitation
  - Repairs
  - Acquisitions
  - Elevations

- **Operating Program**
  - Flood Warning, Technical Studies, Planning, Outreach, Grants, Facility Maintenance
2012 Operating Budget

- Increase of $2M from 2011
  - Enhanced Vegetation Management ($250,000)
  - Recreational River Safety ($50,000)
  - Flood Warning Center and Patrols ($100,000)
  - Changed assumptions regarding work program implementation
  - Desired flood risk reduction outcomes require additional functions ($260K operating, $377K capital)
  - Risk management and legal costs ($1,070,000)

Operating Budget Comparison

<table>
<thead>
<tr>
<th></th>
<th>total</th>
<th>% Increase from 2011</th>
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</thead>
<tbody>
<tr>
<td>2011 Adopted</td>
<td>$7,107,188</td>
<td>N/A</td>
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<tr>
<td>2012 Proposed</td>
<td>$9,162,169</td>
<td>29%</td>
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<tr>
<td>2012 Proposed w/o Risk &amp; Legal</td>
<td>$8,092,169</td>
<td>14%</td>
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Q&A: Legal, Risk Management, and Overhead

- Legal settlement costs under discussion now between District and County
- Total of $1,070,000 at issue in 2012
- Total of $4M at issue over 2013-2017 CIP
- Total of $7.2M at issue over 2013-2021

Potential Overhead Costs (Rounded):

<table>
<thead>
<tr>
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<th>2011 Adopted</th>
<th>2012 Original</th>
<th>2012 Revised</th>
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<tbody>
<tr>
<td>Total Overhead</td>
<td>$1,510,000</td>
<td>$2,867,000</td>
<td>$1,794,000</td>
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<tr>
<td>OH/FTE</td>
<td>$ 44,000</td>
<td>$ 72,000</td>
<td>$ 45,000</td>
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Q&A: Proposed Work Program
Change - Recreational Safety

- Existing work program includes:
  - Capital project design review with boater groups
  - Website with locations of large wood installations
  - Management of natural wood with Sheriff’s Office
  - Signage

- 2012 Scope includes pilot funding for education and outreach

Cedar River 2010
Pool formed by Naturally-Occurring Large Wood
Q&A: Financial Plan and Financing

- Budgeting vs. Cash Flow
- Sources of negative fund balance
  - Increase capital expenditures by $30M over 6 years
  - Remove grant revenue assumptions - @ $8M
  - Increase in Operating Costs vs. 2011
- How to minimize borrowing:
  - Cash flow analysis of carryforward into 2013 reduces borrowing to $3-5M.
  - Grant revenue will exceed conservative assumptions
  - Some portion legal settlement costs may be removed
Drivers for Proposed Work
Program Enhancements

- Changed Assumptions since 2007
  - Contracting and bids
  - More projects completed (50+)
  - Increased recreational safety concerns
  - Vegetation management
  - Reduce, reuse, recycle….not demo!
  - New FEMA flood maps and pump station capacity
  - Greater interest in FCD policies, procedures, criteria
Gap Analysis: Work Program Enhancements and Capital Project Life Cycle

Policy / Planning / Grants

Engineering Design

Field Tech Support

Construction Mgmt & Inspections

Contract Administration

Maintenance
## 2012 Proposed Budget

<table>
<thead>
<tr>
<th>Program</th>
<th>2012 Proposed Budget</th>
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<tbody>
<tr>
<td>District Administration</td>
<td>$473,000</td>
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<tr>
<td>Maintenance and Operations (Operating Programs)</td>
<td>$9,162,169</td>
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<tr>
<td>Construction and Improvements</td>
<td>$29,725,046</td>
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<tr>
<td>Fund Balance (Reserves)</td>
<td>$6,487,055</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$45,847,271</strong></td>
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