Meeting Agenda

King County Flood Control District Advisory Committee

Redmond Public Library

1:30-4:30 p.m.

Monday August 6, 2012

1:30 p.m. **Item 1: Welcome and Meeting Overview**

- *Agenda Review*
- *Introductions*

1:40 p.m. **Item 2: Proposed 2013 Capital and Operating Budget**

i. *Overview of the Flood Risk Reduction Strategy, Accomplishments to Date, and Proposed 2013-8 Capital Projects for:*
   1. *Snoqualmie / SF Skykomish Basin*
   2. *Cedar / Sammamish Basin*
   3. *White River Basin*
   4. *Green/Duwamish Basin*

ii. *Proposed Operating Budget*

iii. *Financial Plan Overview*

iv. *Watershed Management Funding Options*

4:20 p.m. **Next Steps and Upcoming Meetings**

Identify follow-up questions for staff and/or basin technical committees before next Advisory Committee meeting

Annual Report to the Board with 2013 Recommendations

4:30 p.m. **Adjourn**

Introduction to the Proposed 2013 Budget and

2013-2018 Capital Improvement Program

1. Overview

The King County Flood Control District's financial plan includes three categories of expenditures:

1. Capital projects such as levee rehabilitations, repairs, and acquisition or elevation of floodprone structures
2. Operating programs such as technical studies to identify flood and channel migration risks, flood warning center and flood patrol emergency operations, communication and outreach efforts to convey those risks to the public and to other agencies, planning and policy work to implement flood risk reduction actions, and maintenance work to maintain levees, revetments, pump stations, and properties acquired for flood risk reduction purposes. This includes overhead costs such as finance, legal, division/department management, IT, office support, and insurance costs related to the implementation of the District's work program. A portion of these overhead costs are reimbursed by the capital fund.
3. District administration costs to provide management, legal, accounting, and communications services to the Flood Control District as a separate government from King County, as well as insurance coverage.

The District's financial plan also shows revenue from the Flood District levy, interest earnings, the Inter-County River Improvement Fund (White River), and grants. In past years the financial plan has assumed a 100% expenditure rate to determine the fund balance for given year and forecast the fund balance over the life of the 6-year capital program. With this year's financial plan we are applying an expenditure rate assumption to better reflect the realities of capital project implementation. The financial plan assumes a 40% expenditure rate in 2013, with increases to 60% in 2018.

2. District Administration Expenses

The proposed 2013 budget includes a $75,000 increase for insurance based on preliminary premiums for the District insurance policy, for a total 2013 expenditure of $562,000. While expenditures are shown on the financial plan throughout the 6-year

planning window, this cost may be reduced if state legislation consolidating flood districts into county government is passed in the next legislative session.

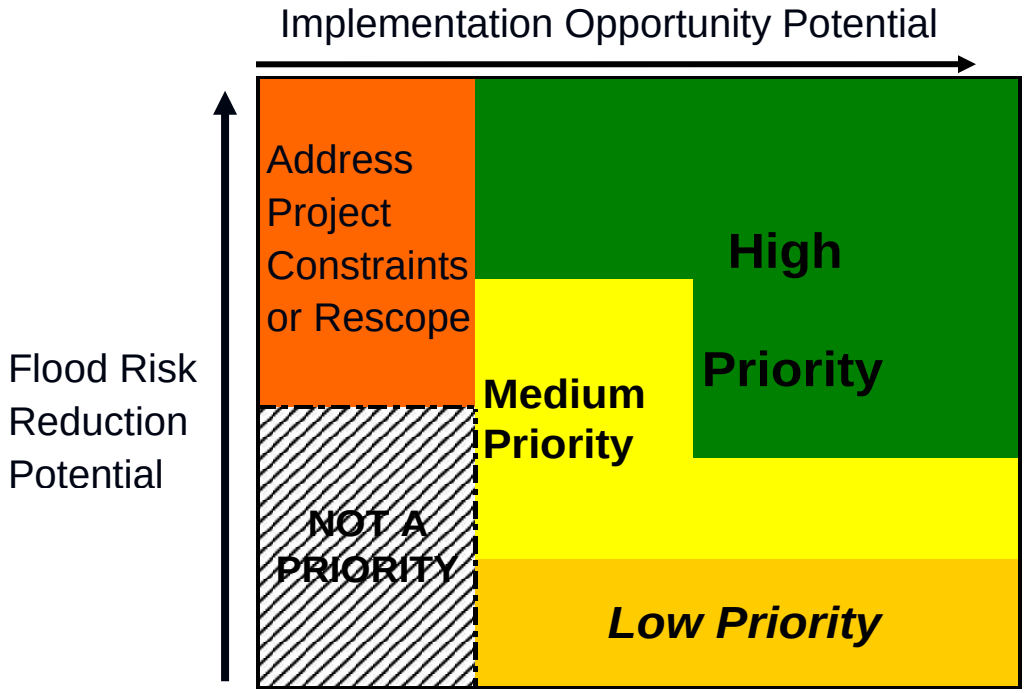
3. 2013 Operating Expenses

Overall, the operating budget includes a $1.75 million increase from $8.3M (2012) to $10.1M (2013 proposed). The major sources of the operating increases are as follows:

a.	Corps PL 84-99 Levee Vegetation Compliance (2013-4 only)	$500,000
b.	Sammamish River channel maintenance (2013 only)	$450,000
c.	Green River Pump Station fuel increase (2013 only)	$185,000
d.	Green River Pump Station operations costs	$300,000
e.	Levee Vegetation Tree Root Strength study, Recreational Use Study (2013 only)	$160,000
f.	Communications for capital projects (MWH report)	$75,000
g.	Capital Project Recreational Safety Support (MWH report)	$75,000
		$1,750,000

4. 2013-2018 Capital Improvement Program

Capital projects are prioritized based on policies in the 2006 Flood Plan focusing on the consequences and severity of flooding, the economic impacts, and the relative urgency of the problem. Once prioritized, these projects are sequenced over the 6-year capital program using implementation factors such as landowner willingness, readiness to proceed, partnerships, and leveraging of external funds. The results of this evaluation are summarized in a percentage score for flood risk reduction potential and implementation potential included for each project on the 6-year capital project list. Figure 1 provides a conceptual diagram of the results of this evaluation.



Capital program highlights for 2013-2018 include:

Cedar-Sammamish

In the Cedar-Sammamish basin, the objective is to focus on two types of activities:

(1) Reducing flood velocities and volumes that threaten critical public infrastructure (SR-169, regional fiber-optic lines, and the Cedar River Trail), residential dwellings, and limit access for residents and first-responders.

(2) Reducing public safety risks associated with neighborhood-scale flooding and channel migration

Proposed for 2013-2018

- Feasibility study and acquisitions to support multiple levee setbacks intended to reduce risks to critical public infrastructure (SR-169, regional fiberoptic transmission line, regional bike trail)
- Acquisitions of floodprone structures, including cost-share of large acquisition previously programmed in the later years of the 6-yr CIP

White:

The flood and channel migration risk reduction strategy for the White River is to increase flow conveyance through the constricted reach in and around the City of Pacific, and to acquire residential structures that are cut off by floodwaters or at risk of sudden channel migration in upstream reaches of the White and Greenwater Rivers.

Proposed for 2013-2018:

1. Engineering design and permitting for projects in the Pacific Reach (Countyline to A-Street, Pacific Right Bank Berm) intended to increase flood storage and conveyance in this reach of the river. Acquisitions
2. Maintain out-year placeholder funding for acquisitions at high-risk locations (Red Creek, White-Greenwater confluence) should landowner willingness change.

Snoqualmie / South Fork Skykomish

The basic flood risk reduction strategy in the Snoqualmie/South Fork Skykomish basin is to strengthen and rehabilitate flood containment facilities while using non-structural solutions (elevations and buyouts) to reduce or eliminate risks.

Proposed for 2013-2018:

1. Continue Upper Snoqualmie Residential Flood Mitigation partnership with cities of Snoqualmie and North Bend to acquire or elevate at-risk structures.
2. Implement next phases of South Fork Levee Improvements and Middle Fork Conveyance Improvements to reduce flood risks to North Bend and Shamrock Park neighborhood.
3. Continue Lower Snoqualmie flood mitigation efforts, including technical support for farm pads and barn elevations, and elevation or acquisition of floodprone residential structures.
4. Continue acquisition of at-risk structures in the Aldair-Fall City reach of the Lower Snoqualmie.
5. Engineering design for levee improvements scheduled for construction in 2014 (Sinnera Quale, Lower Snoqualmie) and 2015 (Tolt Pipeline Protection, Lower Snoqualmie)
6. Continue efforts to work with willing landowners at the Tolt RM 1.1 levee setback (location of the 2009 levee breach) and the Sans Souci neighborhood, where access is cutoff during flood events.

Green-Duwamish:

A significant assumption regarding flood risk reduction for people, property ,and economic investmetns in the lower Green River valley has been that the USACE Howard Hanson Dam will provide the lower Green River valley with protection from the

0.2 percent annual flow event (that is, the '500-year annual flood'). The recognition that the USACE Howard Hanson Dam, while fully repaired to its design capacity, is no longer able to provide protection from that larger magnitude flood event underscores the need for greater conveyance capacity within the river channel.

1. Continue risk based approach to identify and prioritize floodplain management through the King County Flood District CIP evaluation and prioritization process;
2. Continue to maintain existing levees and repair them as needed to protect public safety and property in a way that does not preclude long term opportunities to eventually set back the levees to a more stable slope geometry;
3. Explore opportunities to create a wider flood corridor to provide significantly enhanced flood protection, as well as environmental, recreational, and economic benefits as part of a multi-objective river management effort.
4. Continue the existing strategy in the Middle-Green River and Transition area between the Middle and Lower Green, by continuing to repair and maintain flood protection facilities using a multi-objective, risk-based approach, with a long term goal to set back existing flood protection facilities and allow unconstrained or less constrained channel migration.

Proposed 2013-2018:

1. Construct the 6,600-foot Reddington levee setback in Auburn to reduce risks to 1,000 properties valued at approximately $680 million. Levee will be constructed to exceed certification requirements to contain the 500-year flood event.
2. Continue engineering design and land acquisition efforts at priority sites necessary to rebuild levees to a stable configuration capable of conveying the 500-yr flood event.
3. Add new project for rehabilitation of the Black River Pump Station, which regulates drainage of the Black River into the Green River, and prevents high flows on the Green from backing up into the Black River, Springbrook Creek, and the Earlington Industrial Park in Renton.

<u>Seattle:</u>

1. Continue $32M commitment to provide partial funding to Seattle's Elliot Bay Seawall Replacement. Based on coordination with Seattle's financial planning for the project, includes $5M in 2013, $15M in 2014, and the remaining $5.75M in 2015.
2. Continue cost-sharing agreement for the South Park/Duwamish pump station to reduce backwater flooding of industrial area.

5. Overall Financial Plan Issues

Since the Advisory Committee was first formed in 2007, several assumptions about revenues and expenditures have changed. Highlights of these changes include:

1. The 10-year plan used to establish the levy rate in 2007 was $428 million.
2. Financial plan assumed $33M over ten years from the River Improvement Fund, which was eliminated in 2008.
3. Subregional Opportunity Fund added expenditures of $36M over 10 years
4. New flood damages, including Howard Hanson Response effort, of $17M.
5. Added Seattle Seawall to the adopted Plan and budget for $30M
6. New understanding of how well the USACE Howard Hanson Dam protects the Green River valley
7. Revised project costs as projects are developed and refined
8. District administration costs over 2009-2013 (assuming consolidation takes effect for 2014) added a total of $2.5M in unanticipated expenditures
9. WRIA funding in 2012 for $3M
10. Sandbag removal costs of $5.8M by shifting out Green River projects and 25% reimbursement from GRV cities.

Taken all together, these changes result in a financial plan that is out of balance. During the 2010 Advisory Committee discussions on the 2011 budget, the Committee discussed a variety of options for addressing this situation, including re-sequencing projects, seeking additional revenue, or pursuing short-term borrowing as a sort of 'bridge loan' during times of peak capital expenditure. Since the adopted 2011 capital improvement program, the District has been operating with a financial plan that is in the red in the last years of the 6-year CIP window. The options discussed in 2010 by the Advisory Committee and further detailed in a report to the Board in 2012 (attached) were:

1. Shift expenditures out – slow acquisitions and/or delay design/construction. This may occur over 2012 as project implementation occurs, or it may be planned in advance to ensure expenditures do not exceed revenues in 2014.
2. Identify additional revenue to meet identified project needs. Examples include aggressive pursuit of state capital funds as well as FEMA, SRFB, and other watershed funding for multi-objective projects.
3. Short-term financing for a portion of the need over a 3-5 year timeframe to cover 'pulse' of construction activity.

The preliminary proposed 2013-2018 CIP is balanced by assuming that projects will be deferred. We will discuss the impacts of these deferrals, as well as scenarios that could involve revenue or borrowing to expedite delivery of flood risk reduction projects. These options could be addressed during the 2013 budget discussions or during the Plan Update process. The 'balanced' CIP as well as the funding scenarios also require additional discussion with the basin technical committees, as discussions to date have

focused on a financial plan that was balanced in 2013 but in the red for 2014-8. For the August 6th meeting we are seeking questions and guidance to help focus BTC input in advance of the next Advisory Committee meeting regarding recommendations for 2013.

6. Watershed Management Funding Options

One scenario that does need clear direction for the 2013 budget is funding for cooperative watershed management grants. The Flood Control District is considering whether funding should be provided for watershed management actions in 2013 and future years. Questions for the Advisory Committee include:

a. Should the $3 million allocated for watershed management actions in 2012 be 'reimbursed' by increasing the levy rate in 2013?
b. Should the Flood Control District provide funding for watershed management activities in 2013 and future years?
c. If Flood Control District funds are used for watershed management actions, should this new expenditure be accommodated by deferring projects or a commensurate increase in the levy rate?