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**Revised Staff Report**

November 4, 2020	FCD 2020-22.2 A RESOLUTION relating to the operations and finances of the District, adopting the 2021 budget and authorizing improvements	<u>Materials</u> 1. FCD 2020-22
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**Proposed FCD Resolution 2020-22.2: A RESOLUTION relating to the operations and finances of the District, adopting the 2020 budget and authorizing improvements.**

**Advisory Committee Recommended 2021 Budget.**

The King County Flood Control District ("District") Advisory Committee ("Advisory Committee") met four times between June and August of 20220 to provide policy advice on regional flood protection issues. The Advisory Committee meetings focused on briefings on the District's current planning efforts and the Black River Pump Station Capital Program Strategy, deliberations related to the District's 2021 Annual Budget, the 2021-2025 6-yr CIP, the newly created grant programs, the 2021 levy rate, and the topics to be considered for the Flood Hazard Management Plan Update.

The Advisory Committee recommended 2021 Budget ("Advisory Committee Recommended Budget") is \$139,149,048, an increase of \$29,787,046 or 27.24% from the 2020 adopted budget of \$109,362,003. The Advisory Committee Recommended Budget **does not** assume a 1% plus new construction increase in the levy rate. The highlights of the Advisory Committee recommendations are as follows.

1. Flood Hazard Management Plan Update: The Advisory Committee reiterated their desire to actively participate in the update of the Flood Hazard Management Plan.
2. 2021 Levy Rate: Balancing the economic uncertainty caused by the COVID-19 Pandemic with the need to continue to invest in critical flood risk reduction facilities and the unfunded needs identified in the District's ongoing planning efforts and the flood risk reduction strategies that may be identified in the upcoming Flood Hazard Management Plan update, the Advisory Committee recommended a 2021 Operating Budget and

2021-2026 Capital Budget that relies on a levy rate that is unchanged from the 2020 rate.

3. Newly Created Flood Reduction Grant Programs: The Advisory Committee recommends limiting the new grant programs to a percentage of the District Budget. The Advisory Committee also recommends that the criteria for the new grants require a flood risk reduction nexus.
4. Restoration of Funding Disappropriated in the 2020 mid-year Budget Revision to minimize carryover in 2021: Restoring funding to the Reining Road project in the Snoqualmie Basin (Attachment H Line 20) and the Lower Russell Road project in the Green Basin (Attachment H Line 147) that is expected to be spent in 2021.
5. Black River Pump Station Capital Project Strategy: Add five new projects for the Black River Pump Station upgrades (Attachment H Lines 125-130). The Black River Pump Station Capital Project Strategy has now been adopted as policy guidance by the District Executive Committee.
6. Capital Project Gate Decisions in 2020 since the 2020 mid-year Budget Revision: Both the Jan Road Project (Attachment H Line 112) and the SR 169 Project (Attachment H Line 119) have gone through the next step of the gate approval process since the adoption of the 2020 mid-year Budget Revision resulting in budget adjustments. The Advisory Committee Recommended Budget makes these adjustments.
7. Acquisition Funding: The Advisory Committee Recommended Budget makes adjustments for anticipated acquisitions in 2021 necessary to implement capital projects. These adjustments are:
  - a. Line 1 SF Skykomish Repetitive Loss (South Fork Skykomish);
  - b. Line 3 Timberland Village Buyouts (South Fork Skykomish);
  - c. Line 11 Middle Fork Snoqualmie Residential Flood Mitigation (Middle Fork Snoqualmie);
  - d. Line 58 Rio Vista Property Acquisition (Tolt);
  - e. Line 94 Cedar Pre-Construction Strategic Acquisition (Cedar);
  - f. Line 100 Cedar Residential Flood Mitigation (Cedar); and
  - g. Line 136 Green Pre-Construction Acquisition (Green).
8. Cedar River Capital Investment Strategy ("CIS") Reprioritization: The February 2020 necessitated an immediate reprioritization of the Cedar River CIS and both the Byers Neighborhood Improvements and the Dorre Don Neighborhood Improvements (Attachment H Lines 93 and 108 respectively). The avulsion and extensive flood damage necessitates a complete reprioritization of the Cedar River CIS that will be conducted in 2021.
9. Increased Transparency: The Advisory Committee Recommended Budget moves funding from the Operating Budget to the Capital Budget for the Lower Green River Corridor Flood Hazard Management Plan Programmatic Environmental Impact Statement and Effectiveness Monitoring (Attachment H Lines 146 and 184 respectively) to increase transparency. Additionally, the Advisory Committee requests that the District increase communication with them including adding at least one

meeting to discuss the Annual Budget after adoption and regular reports on project delivery.

10. Flood Damage Repairs: The 2020 mid-year Budget Revision included 18 new projects as a result of the February 2020 flood, the Advisory Committee Recommended Budget includes these projects. Additional information is anticipated later this month from the risk analysis of 6 sites as well as continued low-flow flood inspections.

### **Striking Amendment**

The Striking Amendment to the Advisory Committee Recommended Budget ("Striker") incorporates updated information received after the Advisory Committee Recommended Budget was transmitted on August 31, 2020 as well as two additions incorporated by the District Executive Committee. The Budget is an increase of \$4,098,764 or 2.95% increase from the Advisory Committee Recommended Budget. The changes include:

1. District Oversight Budget: The District Oversight budget is an increase of \$1,298,002 or 138%. This increase is the result of the increase in District staff to 5 FTEs as well as an accurate accounting of services provided to the District by the Legislative Branch of King County.
2. Operating Budget: The changes to the Operating Budget are a net reduction of \$380,731, \$213,000 of which are overhead savings as a result of the River and Floodplain Management staff moving to a work from home model. The remain savings are the result of staff related expenses including benefits and insurance.
3. New Capital Project: The Bellevue/Larsen Lake project (\$400,000) has been added to the capital project list at the direction of the Board implement a recommendation of the 2020 Flood Reduction Grant committee.
4. Capital Project Gate Decision: \$631,000 added to the Record Office Revetment project (Attachment H Line 17) as a result of a recently approved project gate approval.
5. Issaquah Creek CIS: \$1,000,000 was added for a comprehensive study of the flood risks and reduction strategies along Issaquah Creek. Two flood reduction facilities were damaged during the February 2020 flood and there has not been a hydrologic study of Issaquah Creek since 1995.
6. District Direction and Reports: The Striker includes District direction including:
  - a. A report on ownership and maintenance recommendations on the weir at Lake Sawyer;
  - b. Restating the District's commitment to educating the residents of King County about the importance of dam safety;
  - c. The extension of the hiring deadline of 5 FTEs created in the 2020 Budget to April 1, 2021 as an acknowledgement of recruitment and hiring as a result of the COVID-19 pandemic;

- d. The use of organic compost material on all King County managed projects and a report on ways to expand the use said organic compost material.

**Striking Amendment related to Motion FCD20-07**

1. The Striker assumes passage and effectuates FCD Motion 2020-07 declaring the District's commitment to (a) integrated floodplain management; (2) the principles of equity and social justice and environmental justice; and (3) redefining how the District plans capital projects by:
  - a. Reaffirming District commitment to ensuring transparent practices and effective and efficient implementation of capital projects (lines 25-28);
  - b. Affirms District commitment to principles of integrated floodplain management, equity and social justice, and environmental justice (lines 29-35);
  - c. Creating a workgroup to develop recommendations for acquisition policy updates by August 31, 2021 (lines 73-77);
  - d. Creation of an equity and social justice policy by December 31, 2021 (lines 78-81);
  - e. Creation of a recreation policy by December 31, 2021 (lines 82-85);
  - f. Develop an integrated floodplain management approach to design and implementation of capital projects (lines 86-91);
  - g. Develop a process to reevaluate and reprioritize project implementation within Capital Investment Strategies to prioritize multibenefit projects (lines 92-101); and
  - h. Convenes a committee of governments and stakeholders to advise the District as it considers implementation of capital projects in the Green River valley (lines 102 – 110)
2. Adds \$50K to District administration budget to hire a consultant to create a plan developing workforce pathways that create career opportunities and living wage jobs for Black, Indigenous, and youth of color on District capital projects (Attachments B and F)
3. Adds \$300,000 to the Fall City Floodplain Restoration Project to help fund design on the flood risk reduction aspects of the multibenefit project (Attachments B, D, E and line 37 of Attachment H)
4. Makes the following technical changes:
  - a. Adds \$9,125 to county overhead at King County Office of Emergency Management for equipment and vehicle storage for the Flood Warning Center operations (Attachments B and C);
  - b. Removes \$1M for Issaquah Creek CIS from CIP; requires King County to transmit options for flood risk reduction facilities on Issaquah Creek by April 30, 2021 (line 113 of Striker; Attachments

- B, D, E and remove line 87 from 10/14/2020 version of Attachment H);
- c. Adds a July 30, 2021 date for report on options for maintenance and operations of weir on Lake Sawyer (line 131);
  - d. \$14M reduction of Black River Pump Station projects to match numbers from the Capital Project Strategy adopted by the Executive Committee, corrects a scribner's error (Attachments B, D, E, and lines 127-132 of Attachment H); and
  - e. Populates Attachment G – Subregional Opportunity Fund 2021 allocation \$5,974,681 (Attachment G)
    - i. 16 jurisdictions submitted projects totaling \$1,042,307
    - ii. 24 jurisdictions deferring totaling \$4,932,374
5. Amend 2021 Work Program to incorporate all of the above changes (Attachment A).