



August 31, 2017

Reagan Dunn, Chairman
King County Flood Control District
516 Third Avenue
Room 1200
Seattle, WA 98104

Dear Chairman Dunn and Board of Supervisors:

The members of the King County Flood Control District Advisory Committee (Advisory Committee) are pleased to transmit our recommendations to the King County Flood Control District Board of Supervisors (District) for the 2018 Annual Budget and 2018-2023 Six-Year Capital Improvement Program (CIP).

The King County Council established the Advisory Committee through Ordinance 15728 on April 16, 2007, to provide expert policy advice to the District on regional flood protection issues. According to Ordinance 15728, the Advisory Committee shall review and recommend an annual work program and budget for the District, including capital improvement program projects and funding levels, subject to approval or approval and modification by the Board of Supervisors.

The Advisory Committee met four times between June 8 and August 10, 2017. The June 8, 2017 meeting was an orientation session and subsequent meetings focused on deliberations related to the 2018 Annual Budget and the 2018-2023 CIP. A staff-level Basin Technical Committee convened by King County Water and Land Resources (WLR) met on July 10, 2017 to review preliminary capital budget materials and to provide feedback on related documents in advance of the Advisory Committee meetings. Advisory Committee meeting materials are available on the District web site, <http://www.kingcountyfloodcontrol.org>

General Process Related Recommendations

The Advisory Committee appreciated the opportunity to provide recommendations to the District on significant infrastructure investments that protect people and property and that often provide environmental benefits; however, we believe there are some steps the District could take that would help us improve the quality of our recommendations.

We respectfully request that the District respond to our budget recommendation letter in writing so that we can understand the District's decisions and are able to build our following year's recommendation with that understanding in mind.

We recommend the District direct WLR convene the Basin Technical Committee (BTC) at least

quarterly throughout the year. The BTC should also meet prior to Advisory Committee meetings. Materials should be provided on a timely basis in advance of BTC meetings. This will allow our staff the opportunity to stay current and provide input on planning, construction, and budgeting activities on our behalf. We also recommend that teleconferencing/video conferencing be offered as an option to facilitate participation.

We recommend the District continue to refine the presentation of budget materials to facilitate meaningful input from the Advisory Committee. These refinements should include: clear comparisons to prior year budgets; budget narrative that describes the themes and goals of the proposed budget, and projections for completing capital projects beyond the 6-year CIP window.

We continue to find the financial plan presentation to be difficult to follow as it relates to the fund balance and the capital project schedules. We understand the District will be refining the actual fund balance set-aside amounts during its final budget actions in conformance with the District's fund balance policy. The District Chairman has previously asked this Advisory Committee to provide guidance on bonding District revenue to fund the capital program. In order to provide this guidance, we need a better understanding of the projected expenditure rate for capital projects, a 20-year capital needs projection, and the risks that affect project delivery.

We also encourage the District to facilitate a strong relationship with the newly named Seattle District Commander of the United States Army Corps of Engineers. Between Howard Hanson dam issues, PL 84-99 levees, the Hiram M. Chittenden Locks, Willowmoor, and permit issues, the Corps is an essential partner in addressing flood risks. It is concerning that the new District Commander was installed with no apparent outreach from the Corps. The District can provide leadership by taking the initiative with the Corps.

Follow-up on Last Year's Advisory Committee Recommendations

The Advisory Committee received copies of the 2017 Adopted District Budget and used that information as a baseline to consider the 2018 Budget proposal. The Advisory Committee's current deliberations built upon their prior year discussions including:

Planning: Whether or not the planning process is related to specific river basins or countywide, the Advisory Committee would like to have a clear role. The Advisory Committee understands that specific river basins may have local advisory committees providing input, and that is appropriate. However, this Advisory Committee would like to receive regular briefings on the status of basin level plans and capital investment strategies so that the Advisory Committee is grounded in the most current and relevant facts about flood risks and strategies for addressing those risks. With respect to the Countywide Flood Hazard Management Plan, last year the Advisory Committee suggested that there be some overlap between this Advisory Committee and the Committee established for the Countywide Plan. We continue to seek a role in the Flood Hazard Plan Update as well as a process to define that role.

Flood Damage Repair (Emergencies): Damage repair has caused other priorities to be delayed. Last year, the Advisory Committee recommended that an additional \$1.5 million be allocated for flood damage repairs. Our rationale for this recommendation was to ensure that planned flood

risk reduction projects would not be deferred due to unexpected expenditures for flood damage repairs. We disagree with the Board of Supervisor's decision not to increase the set-aside for flood damage repairs. Last year we requested briefings to include both historical costs and future projections for repairs and post-repair information. The information we are seeking would inform future budgets and financial planning to account for repairs while continuing to pursue planned capital facilities. We recommend preparation of a realistic projection of flood damage repair needs, a funding level that matches reasonable expectations for repair costs, and use of a tracking system to monitor actual versus projected repair needs.

Home Elevations: Last year, the Advisory Committee recommended continuing the current rate of home elevations until the Advisory Committee had a substantive discussion of the associated policy issues. The review would have included: the context of how this strategy relates to other flood risk reduction strategies, the public's funding role; rising construction costs and cost reduction strategies; a cost benefit analysis; a valuation cost/benefit of accelerating home elevations; definition and considerations of barriers to entry for homeowners including equity and social justice issues; and the trade-offs of home elevations compared to acquisition.

We recommended a review of the home elevations program to be able to provide input on an appropriate level of funding and pace of implementation. We understand that parts of our recommendation were adopted by the District in the 2017 Budget but more work must be done to address program costs, trade-offs between home elevations and buyouts, nexus with federal policies, geographic areas served by this program, and the policy basis for when home elevations are pursued as a flood risk reduction strategy.

2018 Operating Budget Recommendations

Maintenance: In reviewing the 2018 Operating Budget the Advisory Committee requested additional information about the District's maintenance level of service. It is our view that as the District completes projects and land acquisitions, the maintenance portion of the budget will be growing and that the maintenance responsibility deserves attention from policymakers. For example, some District facilities closely abut private property and the current annual mowing policy may be insufficient in these locations. Additionally, as the District completes land acquisitions and constructs more levees, the real property will require maintenance.

We recommend the District review and revise the maintenance program in 2018 to consider variable levels of service standards, for example, the potential need for a higher level of vegetation management in residential areas. The District should have a goal of implementing any changes in the level of maintenance service in residential areas by Spring 2018. We also recommend the District assess projected future maintenance needs and the impacts of not fully funding maintenance on the condition of levees and other facilities. We would like to see the District have a plan for its real property that could include partnerships, leases, and other innovations that could keep property in appropriate use, reduce maintenance costs, and possibly generate revenue.

Dam Study: We are interested in the results of the dam evacuation planning study the District is undertaking. We understand that the District does not own any dams and that dams within King County are owned by private parties, the federal government, and cities. We would like to see

the District share the results of its dam evacuation study with officials at the federal, state, and local level so that decision-makers have information about the viability of evacuation routes. Poor road conditions may impede public safety. This study may provide useful information to those who prioritize and fund local infrastructure improvements.

Capital Budget Recommendations

Capital Investment Strategies: We appreciate receiving the Capital Investment Strategy summary tables and project location maps for the Corridor Plans; however, it would also be helpful to see the full reports since these plans are informing additions to the District's Capital budget. We trust the District will be posting these to the District's website.

Sub-Regional Opportunity Fund: The Advisory Committee reviewed the expenditure history of the Sub-Regional Opportunity Fund to determine if there are program improvements that would improve the expenditure rate by jurisdictions. Many jurisdictions carry-forward funding to allow their funds to accumulate in order to have sufficient funding for viable projects.

We discussed two potential program changes to improve the expenditure rate of Sub-Regional Opportunity Funds:

1. Consider developing a revolving fund similar to the Public Works Trust Fund to allow jurisdictions to borrow funding to build projects and use future Sub-Regional Opportunity Fund allocations to pay back the loan. This approach needs to be further studied and refined so it doesn't put limits on jurisdictions that have sufficient funding for viable projects based on the current funding formula for the Sub-Regional Opportunity Fund.
2. Consider removing barriers for voluntary inter-jurisdictional partnerships.

We recommend that the Advisory Committee provide further policy guidance on these Sub-Regional Opportunity Fund program concepts with technical assistance from the District.

Attached to this letter please find our recommendations for the King County Flood District 2018 Operating and 2018-2023 Capital Improvement Program.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ken Hearing", is written over a faint, light blue circular stamp.

Ken Hearing, Chairman
King County Flood Control District Advisory Committee