



Staff Report

Agenda Item:	6	Name:	Michelle Clark
Proposed No.:	FCD Resolution. 2020-11	Date:	May 20, 2020

FCD Resolution 2020-11: A RESOLUTION relating to the operations and finances of the King County Flood Control Zone District; adopting a revised 2020 budget, district oversight budget, capital budget, six-year capital improvement program for 2020-2025; and amending Resolution FCD2019-13.2 and Resolution FCD2020-05.1.

The purpose of the mid-year budget revision is to (1) carryover \$113.6 million (\$113.2 million in capital and \$275 thousand in maintenance and operations for policy work on the update to the Flood Hazard Management Plan) authority from 2019; (2) reallocate expenditure authority for technical adjustments, changes to scope and schedule for a total disappropriation amount of \$8.2 million; and (3) add new expenditure authority for flood response actions following the February 2020 Presidential Major Disaster flood event.

The District's 2019 capital expenditures total \$38 million. King County River and Floodplain Management (RFMS) managed expenditures were 55% of the 2019 capital expenditures and the remaining 45% of the 2019 capital expenditures are managed by the other service providers and grant funds. Figure 2 looks more closely at RFMS-managed construction expenditures, comparing planned vs. actual expenditures since the District's 2017 authorization of a new capital project strike team. Figure 3 shows RFMS- managed capital expenditures by year for comparison to previous years.

Figure 1: 2019 Actual Capital Expenditures by Category

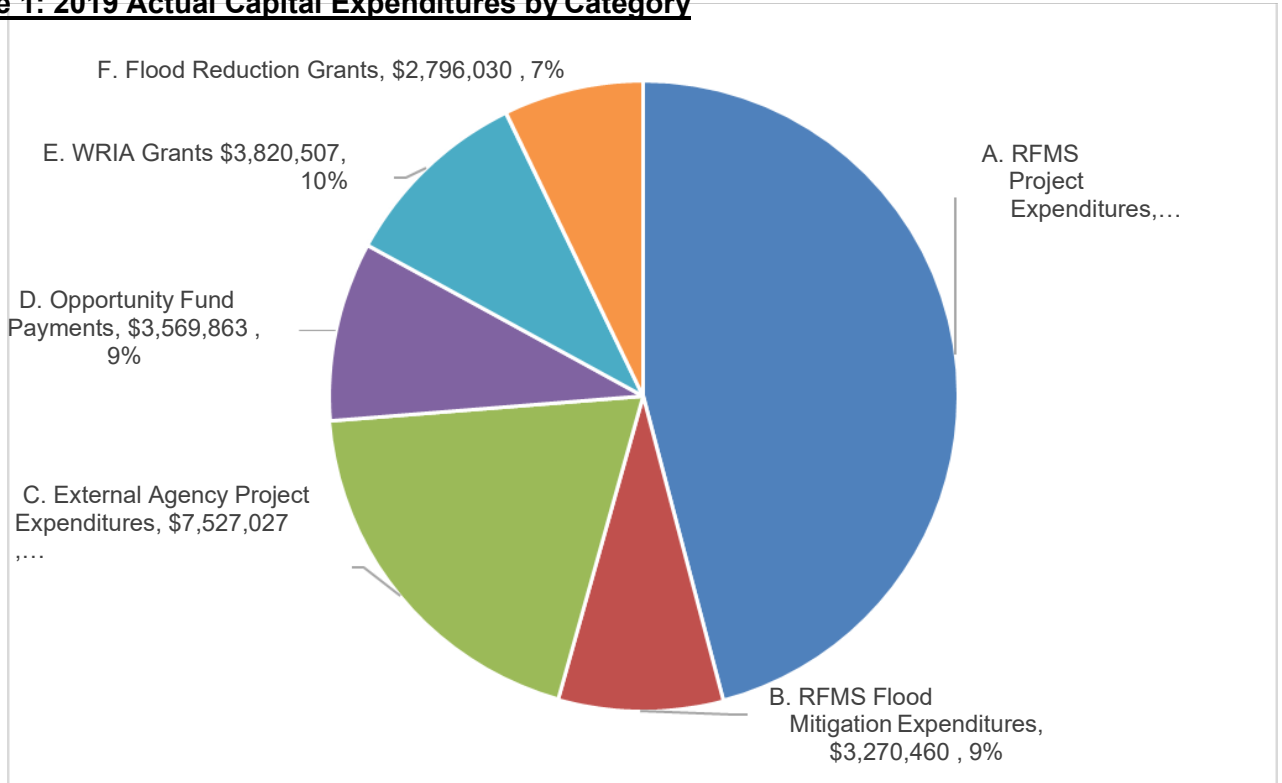
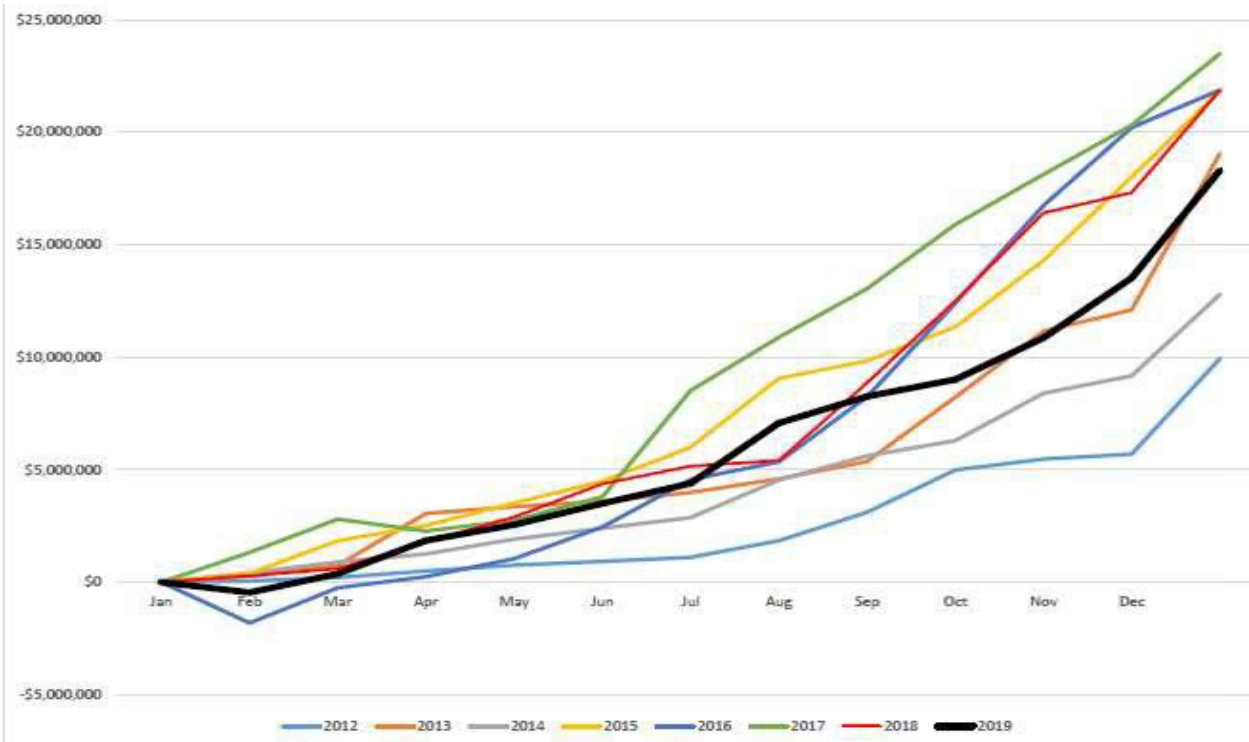


Figure 2: RFMS Managed Construction Expenditures: Planned vs Actuals

Year	“Baseline” Forecasted Expenditures (\$M)	Actual Expenditures for RFMS-Managed Projects (\$M)	Percent of Baseline
2017	25.5	23.8	93%
2018	24.9	21.94	88%
2019	15.0	17.8	119%
Total	65.4	63.5	97%

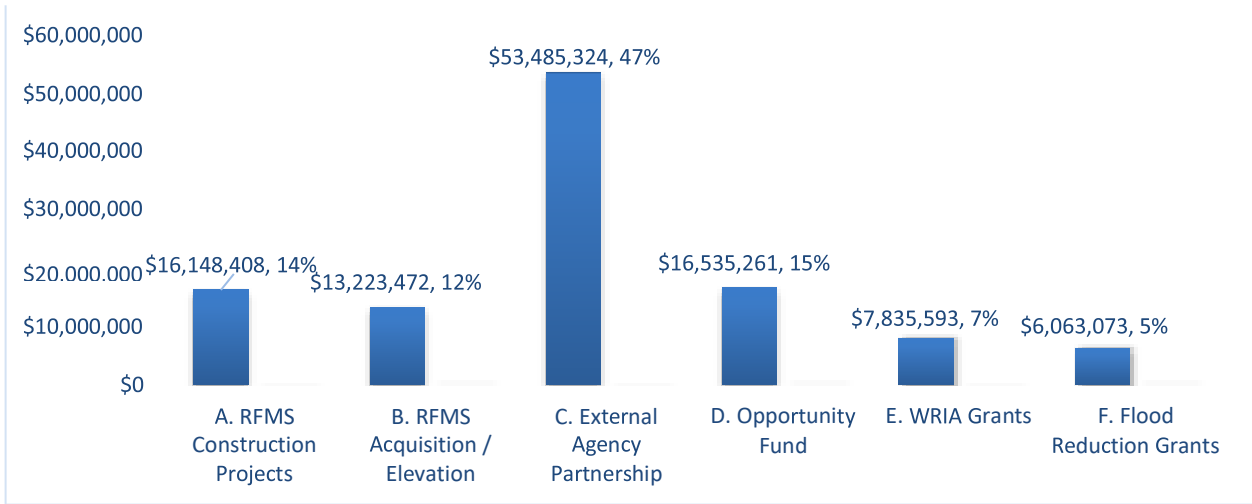
Figure 3: RFMS Capital Construction Expenditures by Year



Overview of 2019 Capital Carryover

The total capital carryover request for 2019 is \$113.3 million, an increase of \$6.3 million from the \$106.9 million carryover request for 2018. The 2019 carryover is distributed across the categories shown in Figure 4. Of the total \$113.2 million in carryover, 74% (\$83.9 million) is for grants and agreements managed by other agencies. RFMS- managed projects account for the remaining 26% (\$29.3 million) of the total carryover.

Figure 4: Capital Carryover from 2019 by Category



RFMS-Managed Construction Projects (Capital Construction and Repair)

This category totals \$16.1 million and is 13% of the capital carryover from 2019. This is less than half of the \$32.8M carried over in this category from 2018 to 2019, the improvement results from tighter budgeting in the 2020 budget process to reduce the potential for carryover. As noted above, expenditures in 2019 exceed the forecast at the beginning of the year.

RFMS-Managed Flood Mitigation (Acquisition and Elevation of At-Risk Structures)

Carryover for acquisition or elevation of at-risk structures totals approximately \$13.2 million (11% of the total). This is a reduction from the \$16.5 million carried over into 2019.

Other Agency Agreements

This category totals \$53.5 million (45% of the total), and includes projects implemented with other agencies through agreements with either the Flood Control District or King County. This is an increase from the \$30.4 million carried over into 2019.

Grant Programs (Opportunity Fund, WRIA grants, and Flood Reduction Grants)

The total carryover across these three grant programs is \$30.4 million (27% of the total), an increase from the \$27.1 million carryover request for 2018. The 2019 carryover includes \$16.5 million in the Opportunity Fund (Line 185), \$6.1 million for the Flood Reduction Grants (Line 183), and \$7.8 million for the WRIA grants (Line 181). Carryover in this category results in part from the lag between appropriation of funds in January followed by adoption of recommended projects by the Board, execution of agreements with grant recipients, implementation of work, and finally reimbursement of eligible expenditures. Opportunity Fund carryover results from jurisdictions choosing to defer or “bank” their Opportunity Fund allocation until it is sufficient to fund a project. For the 2019 Opportunity Fund allocation, just under \$900,000 was “banked” or deferred by the jurisdiction for use in a later year.

2020 Mid-Year Reallocation – 2019-2020 Flood Season Report

The 2019-2020 Flood Season Report (Report) contains the findings and recommendations from the post-flood assessment. The Report contains a number of recommendations for process improvements for the Flood Warning Center, as well as an assessment and recommendations for the 136 "problem sites" identified from the post-flood inspections of over 300 of the 511 flood reduction facilities maintained by the District. The Report provides the basis for the majority of the 2020 Mid-Year Reallocations including both proposed appropriations and disappropriations.

Additional Budget Authority of \$12.5 million

The request for an additional \$12.5 million of additional budget authority includes 18 new or rescope capital projects.

- **1 New Construction Completed in 2020 of \$878,000.** This repair of the Tukwila Revetment site can be completed in 2020 using an existing permit. (Yellow box on attached 2020 Reallocation Summary)
- **1 Scope Expansion of an Existing Project of \$600,578.** This scope expansion of the Herzman site project to address damage to two facilities adjacent to the existing project will shift construction from 2021 to 2022. (Orange box on attached 2020 Reallocation Summary)
- **1 USACE Emergency Assistance Plan for \$80,000.** Funding to conduct levee analysis following seepage and boils witnessed during flood event. Analysis will be shared with USACE. Emergency funding was approved by District Executive Director on April 6, 2020. (Light blue box on attached 2020 Reallocation Summary)
- **4 New Capital Projects for \$307,230.** Solutions for these sites are more complex and will take more than two years. Planning level estimates to conduct site evaluation and risk assessment for large damage sites. (Purple box on attached 2020 Reallocation Summary)
- **5 New Capital Projects – Site Assessments of \$300,000.** Site assessments are necessary to determine if a capital project are necessary as part of the 2021-2026 CIP. Planning level estimates to conduct site evaluation and risk assessment for medium damage sites. (Green box on attached 2020 Reallocation Summary)
- **6 New Capital Projects - Initiated in 2020 for 2021-2022 Construction of \$275,000.** Planning level estimates to conduct site evaluation and risk assessment for one small and five medium damage sites. (Blue box on attached 2020 Reallocation Summary)

Total Disappropriation of \$8.2 million

This net disappropriation results from \$12.5 million in requests for additional budget authority, along with \$20.7 million in disappropriations. The majority of the proposed disappropriations is \$14.5 million from the Lower Russell Road Project. This is not a change in the total project cost, by a shift of funds from 2020 to 2021 due to permit delays. Phase 1 of this project is scheduled to be completed in summer of 2020 and Phase 2 was advertised in April with work starting summer 2020.

In addition to the requested additional budget authority, the District directed WLR to identify existing work that could be deferred or modified to accommodate this new work, and to do so based on the District's adopted flood risk prioritization policy.

Several of the potential deferrals identified below prioritize the risk of physical damage to critical infrastructure over the risk of temporary inundation during flood events. While both situations impact residents who rely on the infrastructure, the consequence, severity, and cost differ. When floodwaters recede inundated infrastructure including roadways are usable again; however damaged roadways and infrastructure may be out of service for a longer duration, and the cost of repairing and rebuilding the flood protection infrastructure is likely to be less than the cost of having to rebuild roadways and any underlying infrastructure such as fiber optic cables.

The adopted 2020 budget assumes new authority for 5 FTEs that would make up a new Capital Project Team in Rivers. Due to the flood emergency in early February, quickly followed by the COVID-19 stay at home order, these positions have not yet been filled. The revised mid-year budget materials identify deferrals based on an assumption that this new team would not be hired. Table 1 also identifies work that could move forward with hiring of the new capital project team authorized in the 2020 budget. The identified deferrals could be further offset or mitigated if labor or other resources were to become available from other sources.

The disappropriations include \$1.375 million from potential deferrals of existing work under a scenario where the authorized new Capital Project Team is not hired. If the new team is hired there would be capacity to bring \$500,000 of this disappropriation back into the 2020 revised budget (for SR 169 on the Cedar and acceleration of Black River Pump Station Control Building project), as well as capacity to initiate the Sammamish Capital Investment Strategy (CIS).

Table 1: Potential 2020 Work Program Deferrals

Program/Project	Milestone	Deferral candidate	Capacity with New Capital Project Team?	Notes
Sammamish O&M Recommendations	Sammamish CIS Charter and PMP	Y	Y	Charter completed; defer initiating work until new project team can provide capacity. Key risks identified in report are 145th St bridge pier and flapgates in Redmond; these could be handled through jurisdictional coordination and/or line items in advance of the CIS if necessary.
WLFL7 SR 169 FEASIBILITY STUDY	FCD 30% design approval, authorization to initiate 60% design	Y	Y	SR 169 flooding mitigated somewhat by temporary culverts installed by Parks; tradeoff is defer transportation disruption in favor of projects that

Program/Project	Milestone	Deferral candidate	Capacity with New Capital Project Team?	Notes
				prevent infrastructure from being damaged at Belmondo and Brodell.
BRPS Control Building	Feasibility analysis	Y	Y	This adjustment is to the pace of the feasibility work rather than complete deferral of the work. The structural and seismic improvements to the pump station would continue to move ahead and the planning for the new control building would be decelerated.
Site Management Plan Program	Complete 12 new capital SMPs based on the prioritized list	Y		Reduce from 12 new capital project area SMPs to 0.
WLFL1 RIBARY CREEK	FCD approves charter	Y		Defer to accommodate Dutchman/Joy; tradeoff is to defer transportation disruption in favor of projects that prevent infrastructure from being damaged
WLFL3 TOLT R RD ELEVATION FEASIBILITY	FCD approves charter	Y		Defer to accommodate Dutchman/Joy; tradeoff is to defer transportation disruption in favor of projects that prevent infrastructure from being damaged
WLFL5 WILLOWMOOR FLDPLAIN REST	Complete cultural resources report	Y		Project paused for 3rd party review; deferral would assume no further action on this project in 2020.
WLFL7 CRT SITE A BANK	FCD Briefing	Y		Complete final report and defer feasibility study.

Program/Project	Milestone	Deferral candidate	Capacity with New Capital Project Team?	Notes
WLFL7 LOWER JONES ROAD NEIGHBORHOOD	Feasibility Study	Y		Complete acquisitions that are underway; defer project initiation and planning.
WLFL7 MAPLEWOOD FEASIBILITY STUDY	FCD review of risk report / authorization to conduct feasibility study	Y		Report to be transmitted July 2020; defer feasibility analysis.
WLFL8 OLD JEFFS FARM REVETMENT	FCD 30% design approval, authorization to initiate 60% design	Y		Project paused; deferral would mean no further work in 2020.

The report also includes the list of 10 property owners that reached out to King County Water and Land Resources Division requesting a buyout. The mid-year reallocation includes funding necessary to complete the acquisition of the one property that has experienced repetitive flood insurance losses. District staff is continuing to work with RFMS to determine if any of the other buyout requests comply with existing District policy. The report also identifies problem sites not associated with existing public flood protection infrastructure. After consultation with District legal counsel, it has been determined that discussions of potentially amending or altering the District's Acquisition Policy are unable to occur at this time because of the governor's suspension of the Open Public Meetings Act.

2019 Flood Reduction Grant Supplemental Round

The 2020 Mid-Year Reallocation also includes the 2019 Flood Reduction Grant Committee's (Rich Crispo, former Newcastle mayor; Josh Baldi, Director, King County Water and Land Resources Division; and Michelle Clark, Executive Director, King County Flood Control District) recommendations for the Supplemental Round. As background, in the 2020 Adopted Budget, the Board of Supervisors included \$2.6 million to (1) "top off" or fully fund those 2019 Flood Reduction Grant recipients who would have received the entire amount of their eligible grant requests if the grant fund included sufficient funds **or** (2) fund new grant applicants that had not applied for the 2019 round applying for projects not applied for during the 2019 grant round. In early 2020, the District opened this supplemental grant round and received two qualifying applications. The first from Newport Villa for \$34,355 to address flooding remediation at Newport Villa, The second from Seattle Public Utilities for \$190,000 for the Lower Taylor Creek Restoration Project – Structure Deconstruction Phase.

The 2019 Flood Reduction Grant Committee meet and considered the two new applications

along with the 12 original applications meeting the new criteria. The committee recommendations fully funding the two new applications and "topping off" or fully funding the 11 of the original applicants. The committee also recommends partially funding King County Roads Services Division \$563,146 for the South Langston Road Drainage Improvement. (see attachment).

The 2020 Flood Reduction Grant round of funding is currently open and accepting applications until June 16, 2020.

Attachments

Proposed Resolution FCD 2020-11 Reallocation Budget

Proposed 2020 Reallocation Summary

Proposed 2020 Reallocation – Capital Carryover from 2019

Flood Reduction Grant Recommendations for 2019 Supplemental Round, April 2020

2020R Expenditure Chart

2020R Financial Plan