KING COUNTY FLOOD CONTROL DISTRICT

REVISED STAFF REPORT

Agenda Item:	**7**	**Name:**	Michelle Clark
Proposed Legislation:	**FCD 2025-06**	**Date:**	July 8, 2025

Proposed FC Resolution FCD 2025-06: A Resolution relating to the operation and finances of the King County Flood Control Zone District; adopting a revised 2025 budget, operating budget, capital budget, six-year capital improvement program for 2025-2030; and amending Resolution FCD2024-12

The purpose of the Flood Control District's mid-year budget amendment is to address two main objectives:

(1) Adopt (or "carryover") $304 million in capital expenditure authority from 2024.
(2) Adjust expenditure authority for several reasons, including technical adjustments, updated annual project needs, and project close outs.

The reallocation includes the closure of 12 capital projects and the disappropriation of any remaining budget associated with them. Adjustments to outyear budgets for capital projects will be made in the 2026 annual budget.
This staff report provides an overview of 2024 capital expenditures, as well as illustrative examples of the different categories of capital carryover from 2024. The proposed mid-year reallocations are presented in a separate summary document that accompanies the 2025 mid-year budget materials and includes a brief explanation of each recommended reallocation.
The 2024 expenditure and carryover patterns were consistent with the financial plan forecast transmitted with the District's 2024 mid-year and 2025 budgets. The $304 million carryover detailed in this memo differed by 9% from the carryover amount forecasted in the November 2024 financial plan.

Overview of 2024 Expenditures

As illustrated in the Figure 1 below, the District's 2024 overall capital expenditures totaled $53 million. WLR-managed expenditures for construction and acquisitions were $20 million and 37% of 2024 capital expenditures for the District. Figure 1 categorizes WLR-managed expenditures by category. This is the smallest expenditure in several years as there were few large construction projects in 2024. That will change in the coming years as WLR prepares for major construction at the Black River Pump Station and on the White River for the Right Bank Levee Setback. The remaining 63% of capital expenditures were managed by other agencies through agreements and grants. Figure 2 provides WLR-managed capital construction expenditures by year, highlighting the trends over previous years.

Figure 1: 2023 Capital Expenditures by Category

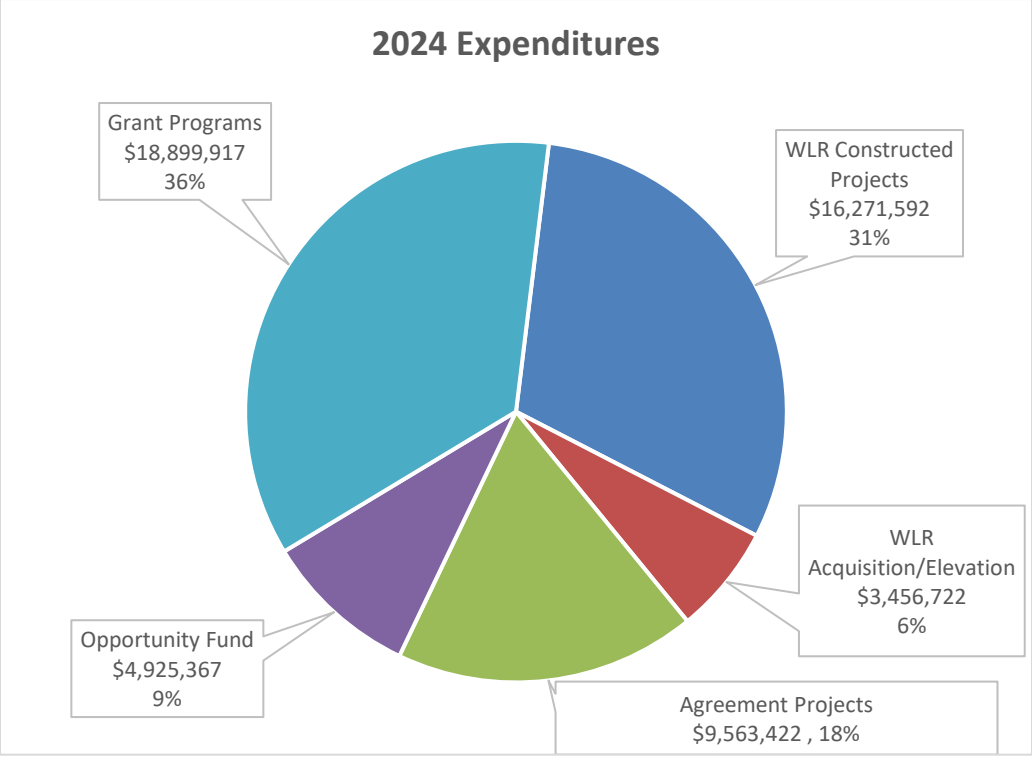
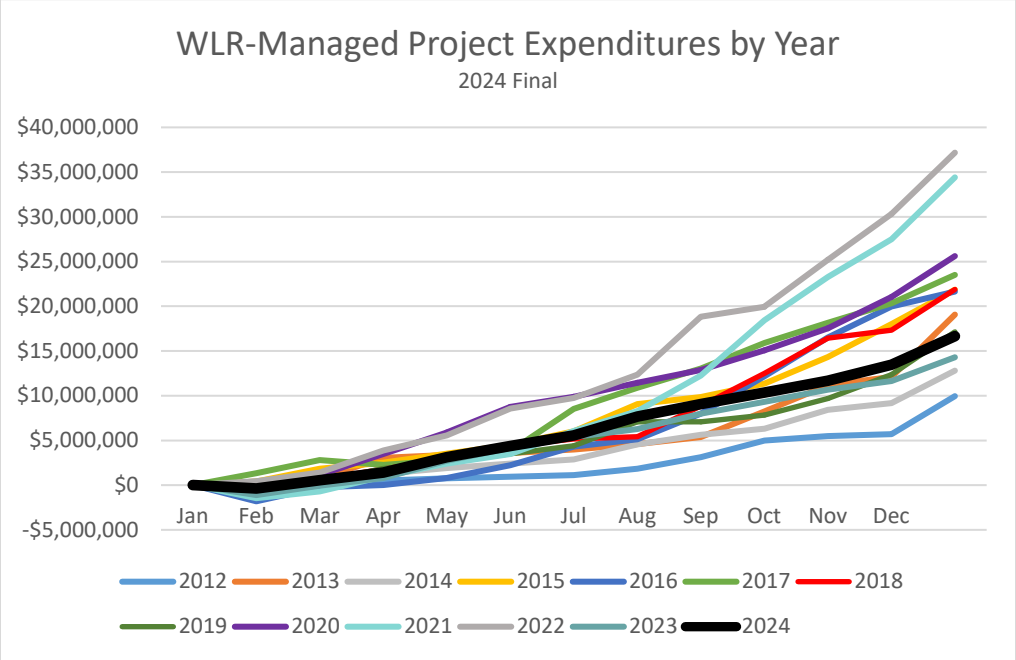


Figure 2: WLR Capital Construction Expenditures by Year



Overview of 2024 Capital Carryover

The total capital carryover request for 2025 is $304 million, representing an increase of $93 million (44%) from the $211 million carryover request for 2024. The 2025 carryover is allocated across the categories shown in Figure 3.

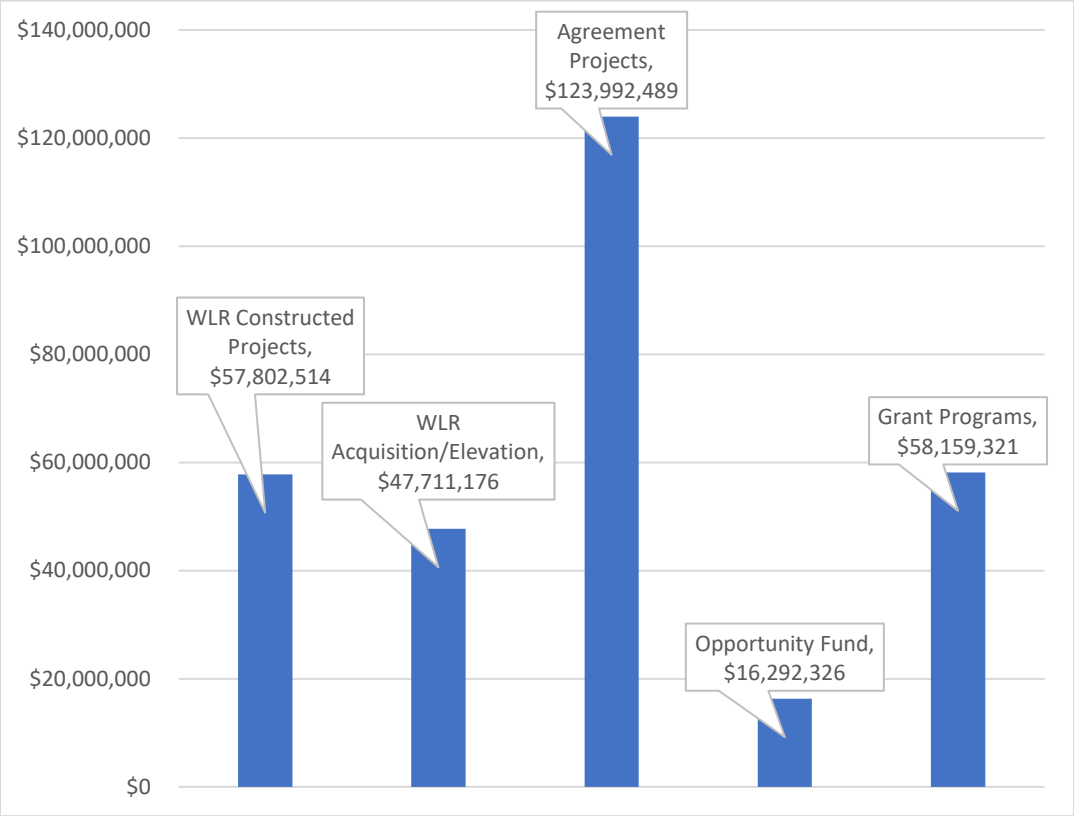
Of the total $304 million in carryover:

- 65% ($198 million) is for grants and agreements managed by other agencies.
- 35% ($106 million) is managed by WLR.

The highlights below reference line numbers from the adopted capital project list (Attachment H).

Examples from each category are described below.

Figure 3: Capital Carryover from 2024 by Category



WLR Constructed Projects (Capital Construction and Repair)

Construction projects managed by WLR total $58 million and is 19% of the capital carryover from 2023. Highlights include:

1. Tukwila 205 / Gunter Floodwall (Line 133, $9.3 million). Project delayed due to negotiations between Tukwila and the landowner, and land acquisition appraisal delays.

2. Black River Pump Station (Lines 97-102, $5.0 million combined). Carryover based largely on construction schedule delays for high use engines.

3. Lower Jones Road Neighborhood Improvements (Line 87, $2 million). Property owners refused offers; budget authority is carried over to 2025 to preserve capacity to acquire property from willing sellers.

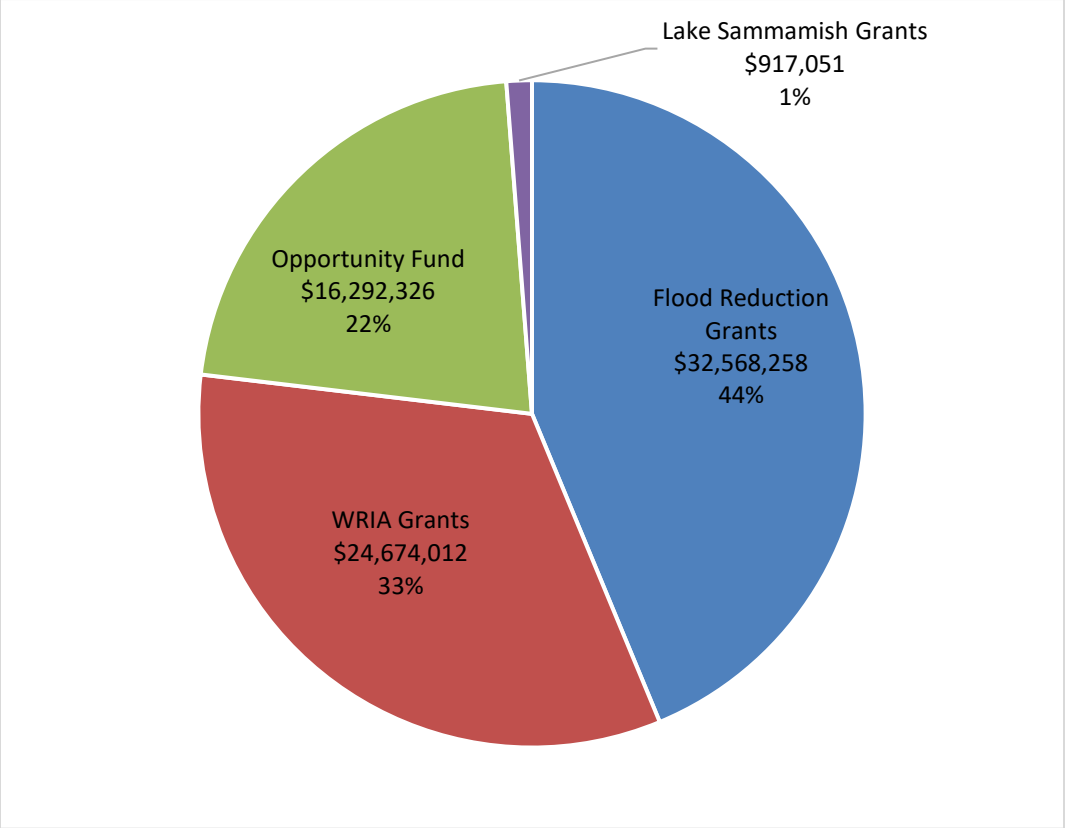
4. Herzman Levee Setback (Line 83, $7.4 million). Construction delayed until 2026.

FCD Flood Mitigation (Acquisition and Elevation of At-Risk Structures)
FCD acquisition and elevation projects managed by WLR total approximately $48 million (16% of the total carryover). Highlights include:
1. Pre-Construction Acquisitions on the Green River (Attachment H, Line 107, $8.6 million). Funding is allocated to acquire potential multi-benefit properties along the Green River as opportunities arise.
2. Snoqualmie/South Fork Skykomish Residential Flood Mitigation (Attachment H, Lines 1, 11, 21, and 28, $32.1 million combined). Timing of expenditures is determined by landowner willingness.

Other Agency Agreements
This category totals $124 million, accounting for 41% of the total carryover. It includes projects managed by other agencies through agreements with the Flood Control District. This represents a $34 million increase from the $124 million carried over into 2024.
In some cases, the carryover corresponds to agreement projects that do not yet have an ILA in place, or where an ILA is in place, but reimbursements have not been requested. Additionally, some projects are progressing slower than anticipated by the managing city. Budgets and cost allocations for these projects may be "right-sized" in partnership with the service providers as part of the 2026 budget process, which should reduce the carryover in future years.
Highlights include:
1. City of Kent – Milwaukee #2 Levee (Attachment H, Line 115 - $17 million): Under the District's 2020 agreement with the City of Kent, $11 million is authorized for expenditures.
2. City of Kent – Signature Pointe Revetment (Attachment H, Line 117 - $46 million): Initial ILA for alternatives analysis adopted May 2018. A second ILA for predesign and real estate appraisals was adopted in February 2020.
3. Horseshoe Bend / Breda Levee Setback (Attachment H, Line 110 - $14 million): Project transferred to the City of Kent in 2017; no ILA adopted to authorize expenditures.

Grant Programs (Opportunity Fund, WRIA grants, Lake Sammamish Flood Mitigation, and Flood Reduction Grants)
The total carryover across these four grant programs is $74 million, representing 24% of the total carryover. The carryover results partially from newly established and expanded grant programs in 2020, which were allocated by the Board in the fall of 2021, as well as the Lake Sammamish Dock and Shoreline grant program authorized in 2022.
Additionally, each year there is an expenditure lag due to the time required to appropriate funds in January, adopt recommended projects in the fall, execute agreements with grant recipients, implement work, and finally request reimbursement for eligible expenditures.
Also of note, many jurisdictions choose to "bank" their Sub-Regional Opportunity Fund allocation until it is sufficient to fund a project. For the 2024 Opportunity Fund allocation, $1 million was "banked" for future use, bringing the total carryover for this program to $16 million.

Figure 4: Grant Program Carryover



2025 Mid-Year Reallocation

The attached reallocation summary lists each of the proposed capital budget adjustments by line in the District's capital project list (Attachment H).

Striking Amendment S1

There is a technical Striking Amendment that makes the following two changes:

1. Tolt Pipeline Protection (Attachment H, Line 33 - $20,000): Reopening this project and adding $20,000 to overall project budget for staff time necessary to surplus the portion of the property that is not part of the flood reduction project.
2. Bear Crk Flood Erosion (Attachment H, Line 64 - $93): Adding $93 to total project cost due to a billing error.

Attachments:

Reallocation Summary
2025 Expenditure Chart
2025 Financial Plan

King County Flood Control District

2025 Reallocation Summary

May 30, 2025

No.	Title	2025 Reallocation Request	Reallocation Notes
1	WLFL0 SF SKYKMSH REP LOSS MIT	($5,351,008)	Reduce unneeded budget authority in 2025.
2	WLFL0 TIMBER LN EROSN BUYOUTS	($500,000)	Reduce unneeded budget authority in 2025.
9	WLFL1 MF RESIDENTIAL FLD MTGTN	($2,000,000)	Reduce unneeded budget authority in 2025.
11	WLFL1 NF SNOQUALMIE RES FLD MIT	($1,000,000)	Reduce unneeded budget authority in 2025.
13	WLFL1 PUMP STATION REVETMENT IMPROVEMENTS	$225,169	Project advanced further in 2024 than anticipated.
14	WLFL1 REINIG RD RVTMNT 2016 REPAIR	$17,505	Project complete. Remove remaining budget before closing project.
15	WLFL1 REINIG RD FISH ACCESS	$582	Project complete. Remove remaining budget before closing project.
19	WLFL1 SHAKE MILL LB 2016 REPAIR	($157,277)	Reduce unneccesary budget authority in anticipation of closeout.
21	WLFL1 UPR SNO RES FLD MITIGTN	($2,365,898)	Reduce unneeded budget authority in 2025.
25	WLFL2 FARM FLOOD TSK FORCE IMP	($115,806)	Reduce unneeded budget authority in 2025.
28	WLFL2 LWR SNO RESDL FLD MITGTN	($2,841,400)	Reduce unneeded budget authority in 2025.
29	WLFL2 MUD CREEK SEDIMENT FACILITY	($322,816)	Project complete. Remove remaining budget before closing project.
31	WLFL2 STOSSEL RB 2018 REPAIR	($14,912)	Project complete. Remove remaining budget before closing project.
32	WLFL2 STOSSEL LONG TERM REPAIR	$378,633	Additional budget needed for construction.
33	WLFL2 TOLT PIPELINE PROTECTION	$20,000	Additional budget needed for appraisal and legal fees before surplusing property.
33	WLFL3 HOLBERG 2019 REPAIR	($225,000)	Reduce budget authority in 2025. The appropriation will be reallocated to later years in 2026 budget.
36	WLFL3 LOWER TOLT RIVER ACQUISITION	($1,464,594)	Reduce unneeded budget authority in 2025.
37	WLFL3 RIO VISTA PROPERTY ACQ	($2,699,846)	Reduce unneeded budget authority in 2025.
38	WLFL3 SAN SOUCI NBRHOOD BUYOUT	($896,000)	Reduce unneeded budget authority in 2025.
39	WLFL3 TOLT R RD ELEV SAN SOUCI	($58,424)	Project complete. Remove remaining budget before closing project.
40	WLFL3 SEDIMENT MGMT FEAS	($43,728)	Project complete. Remove remaining budget before closing project.
44	WLFL3 TOLT R NATURAL AREA ACQ	($1,698,086)	Reduce unneeded budget authority in 2025.
45	WLFL3 GIRL SCOUT LEVEE SETBACK	($272,645)	Reduce unneeded budget authority in 2025. The appropriation will be reallocated to later years in 2026 budget.
49	WLFL4 ALPINE MANOR NEIGHBORHOOD BUYOUTS	($799,930)	Reduce unneeded budget authority in 2025.
59	WLFL5 MOMB 2020 REPAIR	($658,625)	Reduce unneeded budget authority for reduced project scope.
63	WLFL6 BEAR CRK FLOOD EROSION REDMOND	$93	Additional budget needed to pay final invoice and close project.

King County Flood Control District

2025 Reallocation Summary

May 30, 2025

No.	Title	2025 Reallocation Request	Reallocation Notes
66	WLFL6 LOWER COAL CRK PH I	($3,059,251)	Project complete. Remove remaining budget before closing project.
69	WLFL7 BELMONDO 2020 REPAIR	$48,204	Additional budget needed for construction.
79	WLFL7 CRT SITE 5 2020 REPAIR	($1,345,379)	Reduce unneeded budget authority in 2025 due to construction delay. The appropriation will be reallocated to later years in 2026 budget.
80	WLFL7 CRT SITE 5B 2020 REPAIR	($1,639)	Project complete. Remove remaining budget before closing project.
81	WLFL7 CRT2 ZONE D 2020 REPAIR	($4,863,799)	Project complete. Remove remaining budget before closing project.
83	WLFL7 HERZMAN LEVEE SETBACK	($9,776,730)	Reduce unneeded budget authority in 2025 due to construction delay. The appropriation will be reallocated to later years in 2026 budget.
84	WLFL7 ISSAQUAH MAY VALLEY IMPV	($11,681)	Project complete. Remove remaining budget before closing project.
85	WLFL7 JAN ROAD LEVEE SETBACK	($687,754)	Reduce unneccesary budget authority in anticipation of closeout.
89	WLFL7 MAPLEWOOD FEASIBILITY STUDY	($13,000)	Project complete. Remove remaining budget before closing project.
91	WLFL7 TABOR-CROWALL-BRODELL 2020 REPAIR	($864,026)	Reduce unneeded budget authority in 2025 due to construction delay. The appropriation will be reallocated to later years in 2026 budget.
92	WLFL7 SR 169 FLOOD REDUCTION	($153,671)	Reduce unneccesary budget authority in anticipation of closeout.
96	WLFL8 BRISCOE LEVEE SETBACK	($1,953,870)	Project complete. Remove remaining budget before closing project.
97	WLFL8 BRPS CONTROL BLDG RPLCMT	($1,007,104)	Rearranging budget among BRPS projects and reducing unneeded budget authority in 2025
98	WLFL8 BRPS FISH PASS IMPRVMNTS	($14,287,120)	Rearranging budget among BRPS projects and reducing unneeded budget authority in 2025
99	WLFL8 BRPS HIGH-USE ENGINES	$1,720,163	Rearranging budget among BRPS projects to meet 2025 budget needs.
100	WLFL8 BRPS LARGE ENGINE REPLACEMENT	$42,313	Rearranging budget among BRPS projects to meet 2025 budget needs.
101	WLFL8 BRPS SEISMIC UPGRADES	($4,371,320)	Rearranging budget among BRPS projects and reducing unneeded budget authority in 2025.
102	WLFL8 BRPS SUPPORT SYS UPGRADES	$552,715	Rearranging budget among BRPS projects to meet 2025 budget needs.
104	WLFL8 DESIMONE MAJOR REPAIR USACE	($9,048,116)	Reduce unneeded budget authority in 2025 due to construction delay to 2026. The appropriation will be reallocated to later years in 2026 budget.
106	WLFL8 GALLI-DYKSTRA 2020 REPAIR	($249,036)	Project complete. Remove remaining budget before closing project.
109	WLFL8 GREEN SCOUR REPAIR 2017	($102,476)	Project complete. Remove remaining budget before closing project.
121	WLFLS PUGET WAY CULVERT	($226,471)	Project complete. Remove remaining budget before closing project.
127	WLFL9 212TH AVE SE MITIGATION	($65,000)	Project complete. Remove remaining budget before closing project.

King County Flood Control District

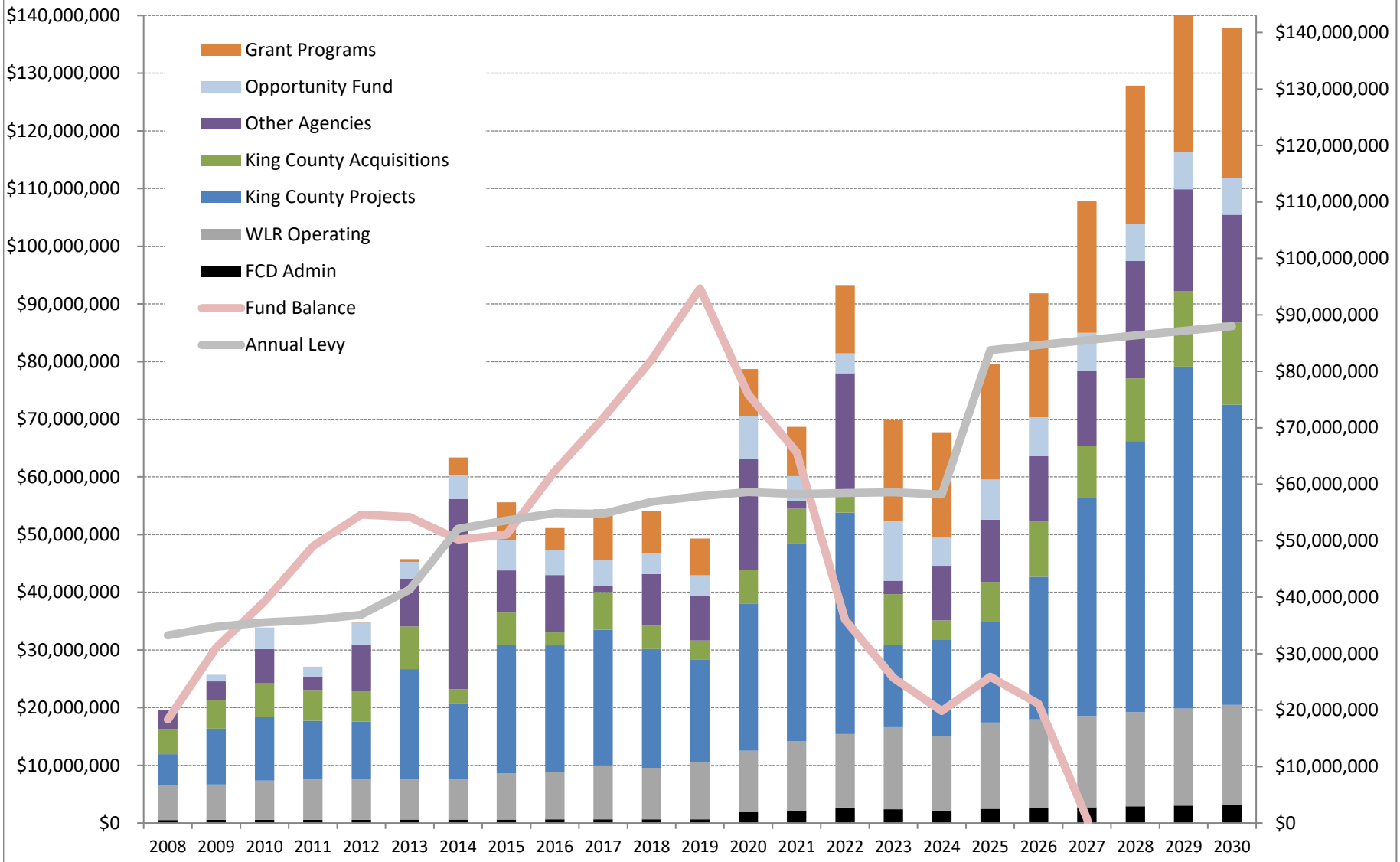
2025 Reallocation Summary

May 30, 2025

No.	Title	2025 Reallocation Request	Reallocation Notes
130	WLFL9 RIGHT BANK LEVEE SETBACK	($2,838,570)	Reduce unneeded budget authority in 2025 due to construction delay to 2026. The appropriation will be reallocated to later years in 2026 budget.
141	WLFLO SUBREGNL OPPRTNTY FUND	$2,556,588	Revised for 2025 revenue adjustment.

DRAFT: Actual and Forecasted Flood District Expenditures by Type

5/30/25



King County Flood Control District

Flood Program Financial Plan: 2025 Revised Budget and 6-Year CIP

May 30, 2025

	2024 Actual	2025 Adopted	2025 Revised	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected
Beginning Balance	26,835,949	1,489,819	19,831,997	25,884,141	21,080,974	788,712	(40,311,197)	(97,259,329)
Revenue								
Flood District								
Flood District Levy [1]	58,181,958	83,649,793	83,736,588	84,655,767	85,507,626	86,331,974	87,157,133	87,980,173
Interest Earnings [2]	2,113,500	69,215	1,561,894	2,038,539	1,660,259	62,116	(3,174,760)	(7,659,784)
Miscellaneous Revenue [3]	228,936	250,000	250,000	250,000	250,000	250,000	250,000	250,000
King County								
Grants [10]	119,893	0	0	0	0	0	0	0
Miscellaneous Revenue [5]	109,723	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Revenue	60,754,010	84,069,008	85,648,482	87,044,306	87,517,885	86,744,090	84,332,373	80,670,390
Expenditure								
District Administration [6]	(2,177,473)	(2,488,637)	(2,488,637)	(2,613,069)	(2,743,722)	(2,880,908)	(3,024,954)	(3,176,202)
Operating Expenditure	(12,886,001)	(16,282,400)	(14,924,160)	(15,371,885)	(15,833,042)	(16,308,033)	(16,797,274)	(17,301,192)
Capital Expenditure	(52,694,488)	(59,642,371)	(62,183,541)	(73,862,520)	(89,233,383)	(108,655,058)	(121,458,277)	(117,351,812)
Total Expenditure	(67,757,962)	(78,413,408)	(79,596,338)	(91,847,474)	(107,810,147)	(127,843,999)	(141,280,505)	(137,829,205)
Ending Fund Balance (Cash)	**19,831,997**	**7,145,419**	**25,884,141**	**21,080,974**	**788,712**	**(40,311,197)**	**(97,259,329)**	**(154,418,145)**
Target Fund Balance	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Budgetary Carryover Reserves	*(302,166,870)*	*(266,885,029)*	*(265,505,791)*	*(415,730,939)*	*(576,528,354)*	*(590,234,529)*	*(594,982,587)*	*(555,076,299)*
Ending Budgetary Fund Balance [9]	**(282,334,873)**	**(235,121,485)**	**(239,621,650)**	**(394,649,966)**	**(575,739,642)**	**(630,545,726)**	**(692,241,916)**	**(709,494,444)**

Notes:

1 Property tax forecast provided by the Office of Economic and Financial Analysis in March, 2025, less undercollection assumption of 1%.

2 Interest earnings approximated using prior year actuals and increasing by 3% per year.

3 District miscellaneous revenue due to multiple sources such as state forest sales, private timber harvest tax, unrealized investments, leashold excise taxes, and immaterial corrections from prior years.

5 County miscellaneous revenue due to multiple sources such as state forest sales, private timber harvest tax, rent from tenants of acquired real estate, and immaterial corrections from prior years.

6 Costs based on contract established under FCD 2008-07 for District executive services, and inflated at 3% in succeeding years.

7 The capital expenditure is equal to the expenditure rate times the sum of the new capital appropriation and carryover. Rationale for the expenditure rates forecasted for A-E in the capital program is as follows:

A. Based on prior year experience and knowledge of existing staff capacity to implement construction projects implemented by WLR Division. The expenditure rate increases at the end of the six years as new appropriation decreases and carryover projects are completed.

B. Based on prior year experience for acquisitions and home elevations, where expenditure patterns are strongly influenced by factors such as landowner willingness. Rate shown here is similar to the expenditure rate for acquisition-focused funds such as King County's Conservation Futures Trust (CFT).

C. Based on increase from past expenditure rates as city projects move through the engineering design phase toward construction.

D-E. Based on prior year experience with expenditure rates for these capital grant programs, which have a 2-3 year minimum time lag between appropriation and expenditures due to funding allocation decision-making process, execution of agreements for awarded projects, and reimbursement of eligible expenditures during or following implementation by the grant recipient. While the Opportunity Fund does not require time for an allocation process, many jurisdictions choose to accrue funding over multiple years which limits the expenditure rate. Note that a constant expenditure rate results in increased expenditures as unspent allocations are carried over each year.

8 The Unreserved Fund Balance is the remaing balance less reserves described in resolution FCD2016-21.1 adopting a fund balance reserve policy. While the policy provides general guidance on types of reserves, it does

9 The budgetary fund balance assumes 100% expenditure of all budgeted amounts and is used to understand the District's total budgetary commitment.

10 Grant revenue is assumed only for grants that have been awarded or where an award is likely and imminent.

11 Total New Capital Appropriation corresponds to the "Grand Total" shown in each year on Attachment H.