

CHEHALIS  
RIVER BASIN  

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FLOOD AUTHORITY

DRAFT

CHEHALIS RIVER BASIN  
FLOOD DISTRICT FORMATION STUDY

May 2011

Prepared by

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## Section I: Introduction, Goals, and Background

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The Chehalis River Basin Flood Authority (Flood Authority) was formed in 2008 by Interlocal Agreement (**Appendix A**) after the basin experienced catastrophic flooding in Lewis, Grays Harbor, and Thurston Counties, on land of the Confederated Tribes of the Chehalis Reservation, and to state highways and Interstate 5 in 2007. While perhaps the largest single flood of the basin, the river has had additional large floods in recent times (1996, 2009) and many large floods historically. The basin has sustained repeated occurrences of millions of dollars of damages, and multiple federal disaster declarations.

The Flood Authority was formed by Interlocal Agreement of 11 jurisdictions in the basin<sup>1</sup> to evaluate flooding issues, solutions and funding. The legislature appropriated \$2.5 million for the Flood Authority to develop and approve a flood hazard mitigation plan, and other measures, including the establishment of a regional flood district<sup>2</sup> for the Chehalis River Basin by July 2011. An additional \$47.5 million in state general obligation bonds were appropriated to participate in flood hazard mitigation projects for the Chehalis River Basin.

The Flood Authority agreed to the following goals in the Interlocal Agreement (**Appendix A**):

- 1. To create a Basin Flood Control District as soon as is practicable*
- 2. To inform state and federal funding sources of project options and the needs of the basin communities*
- 3. To work with the State of Washington to develop appropriate policy for a basin-wide flood control project*

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<sup>1</sup> Grays Harbor, Lewis, and Thurston counties; the Confederated Tribes of the Chehalis Reservation; the cities of Aberdeen, Centralia, Chehalis, Montesano, and Oakville; and the towns of Bucoda and Pe Ell.

<sup>2</sup> The appropriation does not specify which statutory authorization to use for forming the Flood District.

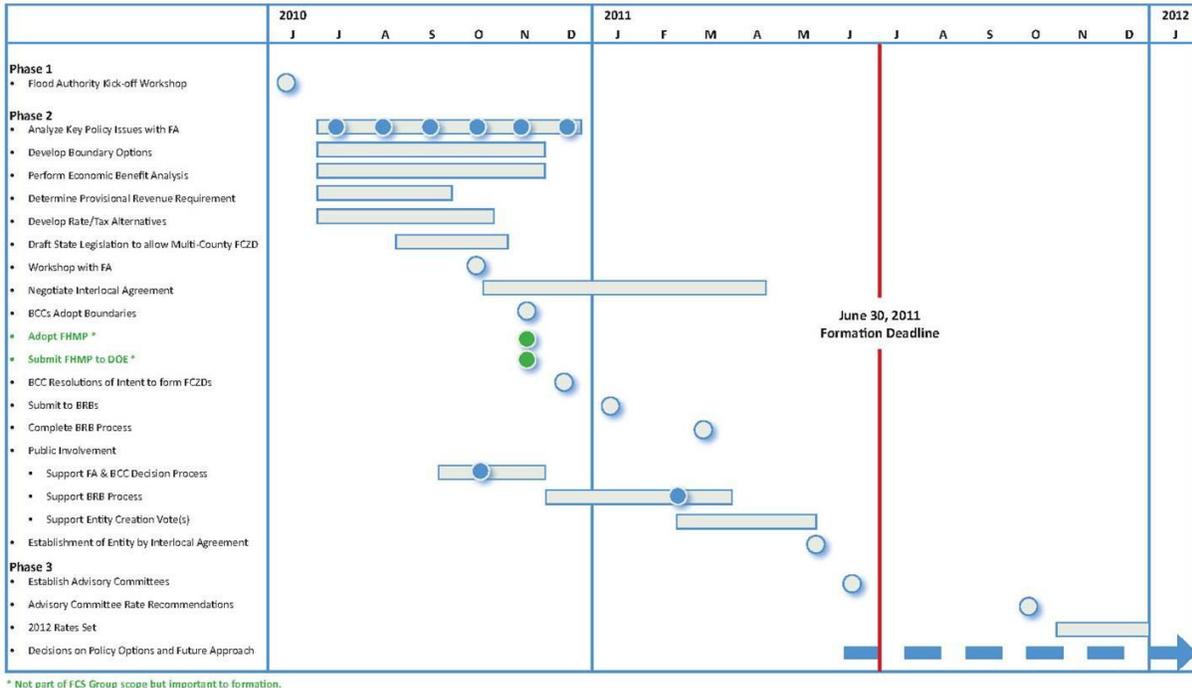
4. *To seek adequate funding for the Basin Governments to identify, study and permit projects for localized problems*
5. *To disseminate information to residents about options and alternatives*
6. *To coordinate flood control activities, actions and responses*

In mid 2010, the Flood Authority commissioned a study by FCS GROUP of the formation options and processes to form a basin-wide flood district by July 2011. Specifically, the FCS GROUP scope of work states the study is “...to support the formation of the Chehalis River Basin Flood District...” through several tasks as follows:

- ◆ Phase 1/Task 1: Governance and Financing Structure Selection of Preferred Alternative
- ◆ Phase 2/Task 1: Development of District Policy Framework
- ◆ Phase 2/Task 2: Definition of Applicable Boundaries
- ◆ Phase 2/Task 3: Economic Benefit Analysis
- ◆ Phase 2/Task 4: Determine Revenue Requirement
- ◆ Phase 2/Task 5: Rate Model and Analysis
- ◆ Phase 2/Task 6: Public Outreach and Education
- ◆ Phase 2/Task 7: Legal advice/Documentation
- ◆ Phase 2/Task 8: Study Documentation
- ◆ Phase 2/Task 9: Project Management

**Figure I.1** sets out the schedule of the tasks to complete the project by June 30, 2011 in order to comply with the State’s schedule for the formation of a flood district.

Figure I.1 – Task Schedule



All the presentations to the Flood Authority are included in **Appendix B**. This report (Phase 2/Task 8) documents the progress made through each of these tasks, including redirection of work by the Flood Authority.

## I.A. BACKGROUND

One of the first actions of the newly formed Flood Authority in 2008 was to undertake a Comprehensive Flood Hazard Management Plan (Flood Plan). The majority of the Flood Plan addresses the physical characteristics of the basin, pertinent regulations, previous technical studies, flooding problems, and the development of project alternatives to mitigate the flooding. Included in the Flood Plan is an evaluation of funding options<sup>3</sup>. Currently the Flood Authority has no funding other than the appropriation by the State legislature.

<sup>3</sup> Chehalis River Basin Comprehensive Flood Hazard Management Plan, Chapter 8 Funding Options

The Flood Plan evaluated 10 internal funding options currently available to the existing jurisdictions within the basin, and evaluated 18 external funding options such as grants and loans. The Flood Plan also considered new funding options such as the establishment of a Flood Control District (RCW 86.09) and a Flood Control Zone District (RCW 86.15).

All the funding sources were evaluated against the criteria of equity, stability, control, adequacy, relatedness, ease of implementation, restrictions, acceptability, legality, and basin-wide applicability. State and federal grants and loans either had local matching requirements or loan payback provisions, either of which requires that significant local funds be raised. The local funding options were ranked and the Flood Control Zone District and Flood Control District ranked respectively first and second, with a Surface Water Utility ranking third. Please refer to the Flood Plan for the full evaluation.

The Flood Plan was adopted by the Flood Authority in June 2010 and work began immediately to select between the two types of basin-wide districts to raise local funds to match state and federal funds for flood mitigation projects and programs: the Flood Control District or the Flood Control Zone District.

## Section II. Economic Benefit Analysis

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This section summarizes the results from the economic benefits analysis (Phase 2/Task 3). The work undertaken by FCS GROUP to complete the economic benefits analysis included:

- ◆ Compiling and reviewing relevant available background materials, reports, studies, data, land use plans, and related information
- ◆ Evaluating property damage estimates from prior flood events
- ◆ Evaluating overall economic impacts from local community perspectives using the IMPLAN model
- ◆ Conducting interviews with federal, state and local agency representatives to ascertain quantitative measures of economic damages from prior flood events
- ◆ Evaluating the short-term (construction benefits) of flood mitigation projects
- ◆ Evaluating the long-term permanent economic benefits of flood mitigation
- ◆ Summarizing results and identifying potential funding allocation methods

It should be noted that the results included in this document are intended to help inform the Flood Authority and interested local stakeholders about the relative economic benefits that would be expected from flood mitigation projects and activities. The findings could also serve as a potential basis for allocating local funding responsibilities or revenue requirements should the Flood Authority decide to formalize local funding agreements to assist with constructing flood projects or flood mitigation activities.

It is not the intent of the consultant to present these findings in accordance with standard U.S. Army Corps of Engineers (Corps of Engineers) methods and procedures, which tend to limit the economic benefit analysis to an assessment of avoided costs from future flood events, such as clean up costs, damage to property, damage to agricultural crops, and transportation costs. Instead our approach to analyzing economic benefits focuses on the actual experience that has been documented by local and state agencies from prior flood events, and a

supplemental analysis of business losses that could be avoided and property values that could be gained from flood mitigation.

The results of the Economic Benefits Analysis are organized into the following sections:

- ◆ Summary of Findings – Includes a summary of key findings and preliminary recommendations
- ◆ Overview – Provides an overview of the Chehalis River Basin and the 100-year floodplain area in terms of acres, land use, population, employment, and socio-economic patterns
- ◆ Economic Benefit Analysis – Describes the long-term (permanent) economic benefits from Chehalis River flood mitigation
- ◆ Construction Benefit Analysis – Describes the potential short-term construction-related benefits attributed to flood project construction activities
- ◆ Potential Funding Allocation Methods – Includes a preliminary list of methods that can serve as a basis for allocated local funding responsibilities (cost sharing) for capital and/or operations expenditures associated with flood project mitigation projects or activities

## II.A. SUMMARY OF FINDINGS

Public investment in Chehalis River flood mitigation projects and activities will have measurable short-term and long-term economic benefits to the state and region. The recent 2007 flood event cost the state and region an estimated \$938 million in total economic losses (2010 dollar estimates). Based on supporting facts provided by the local and state government agencies, the majority (64 percent) of these losses were incurred by local businesses and residents in the form of property damage, business disruption and infrastructure damage. Nearly 36 percent of the total economic losses were statewide in the form of transportation disruption and state highway and railway damage).

Local economic benefits from reduced future flooding can be consistently measured in terms of:

- ◆ Residential benefits (population and households)
- ◆ Business benefits (economic valued added that is “at risk” in the floodplain)
- ◆ Property valuation benefits (measures of assessed values)

Other types of economic benefits, including potential reductions in property damage or loss avoidance, reduced flood insurance premium payments, and ecosystem benefits are difficult to apply across the region in a consistent and accurate manner given the limited nature of existing data.

A preliminary allocation of economic benefits within the Chehalis River Basin among local counties (Lewis County, Grays Harbor, and Thurston counties) and the Chehalis Indian Reservation can be derived using measures of economic benefits, which is quantified using the IMPLAN model along with local U.S. Census estimates of employment. For comparative purposes, the potential economic impact from one day of business disruption within the floodplain is expected to impact approximately 15,018 workers and cause approximately \$4.26 million in lost direct economic value.

The direct impact from \$4.26 million in lost economic value per day (associated with business closures within the floodplain) would result in additional indirect and induced regional economic losses of approximately \$1.72 million. Hence, the total amount of economic value that is at risk due to one day of major flooding is an estimated \$5.98 million, of which 71 percent is within the floodplain area, and 29 percent is within the larger regional area.

The relative measures of economic activity could serve as a basis for potential allocation of future flood mitigation project costs or funding commitments.

## II.B. OVERVIEW

This section provides an overview of the Chehalis River Basin and the 100-year floodplain area in terms of acres, land use, population, employment, and socio-economic patterns.

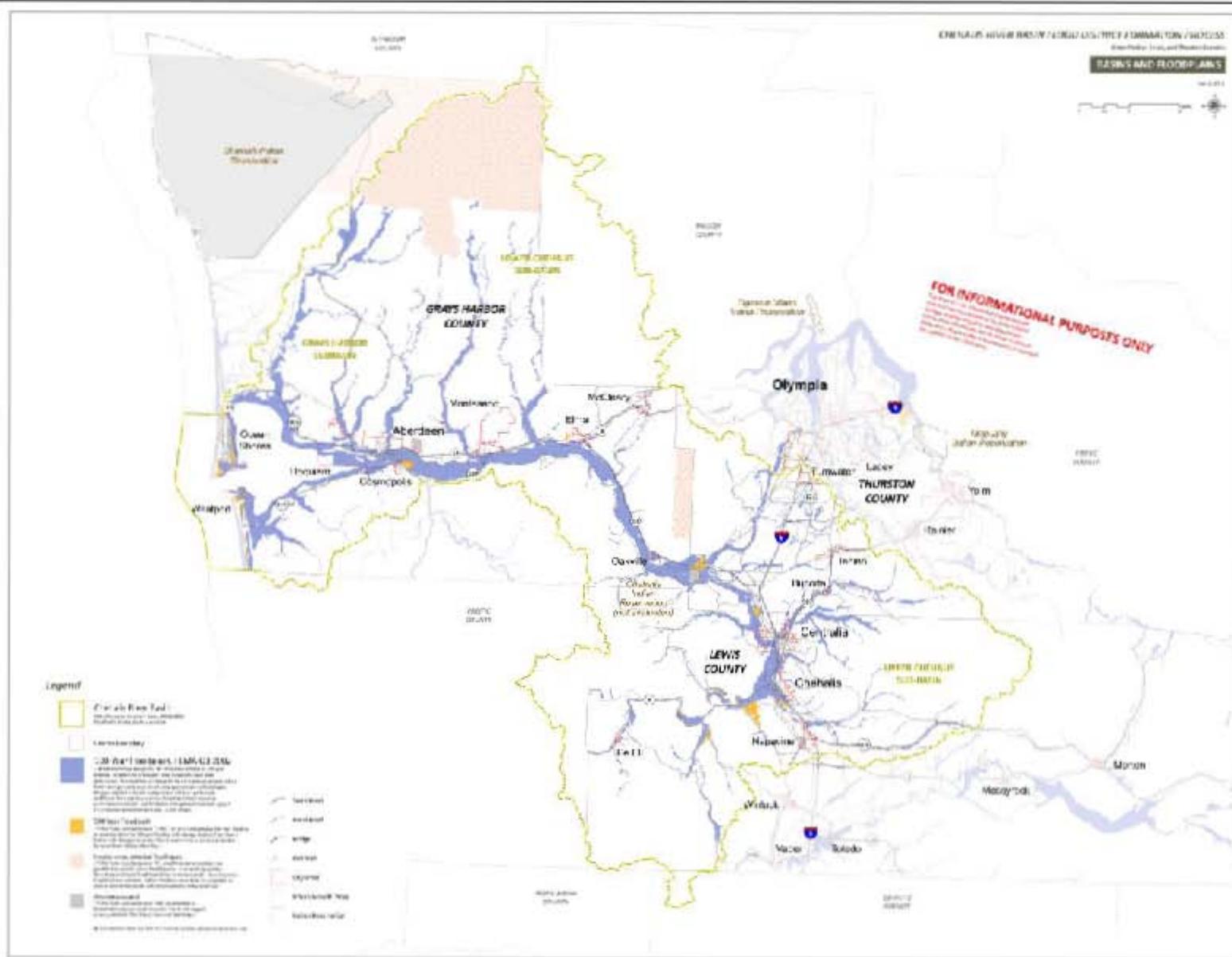
### II.B.1. Chehalis River Basin and Floodplain Areas

The Chehalis River and its tributaries form the Chehalis River Basin, which is bounded by the Pacific Ocean to the west, the Deschutes River basin to the east, the Olympic Mountains to the north, and the Willapa Hills and Cowlitz River Basin to the south. According to the *Chehalis River Basin Hazard Mitigation Plan* (2010), the Chehalis River Basin is the second largest basin in Washington, next to the Columbia River basin.

The geographic extent of the Chehalis River Basin is located primarily within Lewis, Thurston, and Grays Harbor counties (**Figure II.1**). The boundary for the Chehalis

River Basin has been determined by the Washington Department of Ecology and the Washington Department of Natural Resources (2008). The Chehalis River Floodplain area is also noted on **Figure II.1**, and reflects the area determined to be within the designated 100-year floodplain. While more current (2010) revised floodplain boundaries are being proposed, they have not been finalized at this time.

Figure II.1 - Chehalis River Basin and Floodplain Map



## II.B.2. Existing Conditions

Within the Chehalis River Basin area, FCS GROUP has evaluated existing conditions using available data sources, such as the local county planning and county assessor departments, local/state Geographic Information System (GIS) databases, U.S. Census, and other state or federal agencies. An overview of population, households, and employment for the floodplain and the area that contributes to the flooding (outside the floodplain but inside the Basin) is provided in **Table II.1**.

**Table II.1 – Chehalis River Floodplain and Basin Characteristics**

Floodplain Area	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
Population <sup>1</sup>	73%	3%	22%	2%	100%
Households <sup>1</sup>	75%	2%	21%	2%	100%
Employment (at place of work) <sup>2</sup>	56%	2%	36%	6%	100%
Taxable Assessed Value <sup>3</sup>	65%	13%	22%	0.2%	100%
Taxable Assessed Value - Improvements <sup>3</sup>	70%	10%	19%	0.2%	100%
National Flood Insurance Premium Losses <sup>4</sup>	n/a	n/a	n/a	n/a	n/a
Direct Economic Value Added Per Day <sup>5</sup>	47%	2%	49%	3%	100%
<b>Unweighted Average All Categories</b>	<b>64%</b>	<b>5%</b>	<b>28%</b>	<b>2%</b>	<b>100%</b>
Contributing Area (outside Floodplain in Basin)	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
Population <sup>1</sup>	24%	32%	45%	n/a	100%
Households <sup>1</sup>	25%	29%	46%	n/a	100%
Employment (at place of work) <sup>2</sup>	38%	17%	45%	n/a	100%
Taxable Assessed Value <sup>3</sup>	35%	23%	42%	0.1%	100%
Taxable Assessed Value - Improvements <sup>3</sup>	17%	3%	n/a	n/a	n/a
National Flood Insurance Premium Losses <sup>4</sup>	n/a	n/a	n/a	n/a	n/a
Direct Economic Value Added Per Day <sup>5</sup>	44%	20%	37%	2%	100%
<b>Unweighted Average All Categories</b>	<b>30%</b>	<b>21%</b>	<b>43%</b>	<b>1%</b>	<b>94%</b>
Basin Area	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
Population <sup>1</sup>	38%	23%	38%	n/a	100%
Households <sup>1</sup>	40%	21%	38%	n/a	100%
Employment (at place of work) <sup>2</sup>	45%	12%	43%	n/a	100%
Taxable Assessed Value <sup>3</sup>	45%	20%	35%	0.1%	100%
Taxable Assessed Value - Improvements <sup>3</sup>	n/a	n/a	n/a	n/a	n/a
National Flood Insurance Premium Losses <sup>4</sup>	14%	11%	74%	n/a	100%
Direct Economic Value Added Per Day <sup>5</sup>	45%	13%	41%	1%	100%
<b>Unweighted Average All Categories</b>	<b>38%</b>	<b>17%</b>	<b>45%</b>	<b>1%</b>	<b>100%</b>

Notes:

<sup>1</sup> Derived from U.S. Census, Census Tract Block Groups, 2000.

<sup>2</sup> Derived from Census, On-The-Map, 2008 estimates.

<sup>3</sup> Derived from local county assessor data, 1st quarter, 2010. Excludes tribe-owned land holdings.

<sup>4</sup> Based on FEMA NFIP losses from 1978-2008, reflects county total payments.

<sup>5</sup> Derived using employment estimates and IMPLAN model for each local area.

Source: Compiled by FCS GROUP.

An analysis of general land use classifications (by *Real Urban Geographics*) in the Chehalis River Basin reflects a slightly different land use mix including forest/farming (84 percent of land area), residential (10 percent of land area), industrial (3 percent of land area); commercial (retail/office/services/recreation with about 2 percent of the land area), and 1 percent of the land area is vacant.

There are four major urban areas located within the basin: Chehalis, Centralia, Aberdeen, and Hoquiam. The Confederated Tribes of the Chehalis Reservation is also located within the basin. In 2000, total population in the Chehalis River Basin was approximately 111,000 (U.S. Census, 2000). There were an estimated 31,446 people residing in 12,239 households (dwelling units) within the floodplain area. It should be noted that more current population estimates for the floodplain area will not be available until detailed population census estimates are released later in 2011.

Population centers within the basin are primarily located in the lower Chehalis River Basin area within cities, including Aberdeen (population 16,450) and Hoquiam (population 8,770). The most populated centers in the upper basin area include Chehalis (population 7,185) and Centralia (population 15,570).<sup>4</sup>

Employment levels within the floodplain for year 2008 include an estimated 14,726 workers working in over 1,000 business establishments, according to U.S. Census estimates for the local area.

### II.B.3. Prior Studies

The Chehalis River Basin experienced catastrophic flooding in 2007 and 2009. Investigative hydrological studies have been conducted by the Corps of Engineers, along with flood damage assessments and economic impact assessments by consultants working on behalf of state and local governmental agencies.

The Chehalis River Basin Flood Authority was created in 2008 to proactively coordinate local actions regarding public safety and flood mitigation projects/activities that help prevent flood damage and reduce flood hazards.

The results of prior background studies on economic impacts of Chehalis River flooding events, and related hazard mitigation plans indicate that there has already been hundreds of millions in lost economic activity and property damage due to flood events within the Chehalis River Basin over the past decade (not to mention preceding decades) and that there are still significant risks from future flooding events. Selected background reports and related findings are discussed below.

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<sup>4</sup> Source: Washington Office of Financial Management, April 1, 2010 population estimate.

**Chehalis River Flood Water Retention Project, Phase IIB Feasibility Study, Draft, November 10, 2010 (prepared by EES Consulting)**

This feasibility study was conducted for the Chehalis River Basin Flood Authority as part of a multi-phased evaluation of the economic costs and benefits of flood reduction structures on the Chehalis River. The study considered flood mitigation facility construction costs regarding flood reduction and multi-purpose project solutions for the Upper Chehalis and South Fork areas. Economic benefits were compiled and analyzed based on the level of benefit that was expected over a 50-year period, using current Corps of Engineers National Economic Development (NED) methods, a Regional Economic Development (NED) method, and an Alternative Economic Development (AED) method.

National economic benefits are typically considered by the Corps of Engineers, and include the potential for the following:

- ◆ Reduced estimated annual damages to building structures and contents, agriculture crops and equipment
- ◆ Avoided clean up costs
- ◆ Avoided transportation delays or detours
- ◆ Avoided infrastructure improvement cost or added operating and maintenance cost
- ◆ Increased availability of water for irrigation or other use
- ◆ Value of hydropower and related renewable qualities
- ◆ Increased recreational visits and related economic benefits

Regional economic benefits are generally more localized than the NED benefits, and include the potential for the following:

- ◆ Changes in property values
- ◆ Changes in local employment and business income
- ◆ Avoided lost business income

Alternative economic benefits also considered the quantification of environmental benefits and costs, by taking into account:

- ◆ Value of changes in acreage of ecosystems (such as riparian and wildlife habitats)
- ◆ Effects on fish and wildlife and water quality
- ◆ Reduction in carbon dioxide or other air pollutants

- ◆ Positive effects on historical or cultural properties
- ◆ Positive impacts on quality of life and population distribution
- ◆ Beneficial effects on public safety, health, and life

#### **Flood Protection and Ecosystem Services in the Chehalis River Basin, May 2010 (by Earth Economics)**

This study was conducted for the Flood Authority as input into the above-mentioned alternative economic analysis, and incorporated into the EES Consulting study. The analysis considered the regional benefits from flood protection on ecosystems, watersheds, land coverage, water, food, soils, biodiversity, plant and wildlife habitat, cultural, aesthetic, recreational, educational, and related values. The study findings were based on a GIS analysis and application of the Artificial Intelligence for Ecosystem Services (ARIES) mapping model.

#### **December 3, 2007 Chehalis River Flooding Event Description (One Year Later Report), prepared November 20, 2008; and revised August 1, 2009 by Lewis County**

This document compiled all known costs or damages associated with the flood damage caused in West Lewis County after the December 3, 2007 flood event. The assessment of damages included:

- ◆ Residential losses
- ◆ Business losses
- ◆ Public infrastructure (roads, parks, sewer plants, etc.) damages
- ◆ Agriculture/farm losses
- ◆ Lewis County government revenue losses
- ◆ Local agency (special district) losses
- ◆ State agencies and parks losses
- ◆ Federal agency costs (railroads, levees, federal highways)

#### **Storm-related Closures of I-5 and I-90: Freight Transportation Economic Impact Assessment Report, Winter 2007–2008, Final Research Report, September 2008 (prepared by the Washington Department of Transportation and Washington State University)**

This report documented the economic impact of storm-related closures of I-5 and I-90 that occurred in the winter of 2007–2008 when flooding of the Chehalis River and other water bodies resulted in a four-day closure of I-5. The analysis included

a survey and economic research using the IMPLAN model to evaluate direct, indirect, and induced impacts on the state economy.

In addition to these reports and studies, FCS GROUP relied on available data provided by local county governments, the Chehalis Tribe, and the Federal Emergency Management Agency (FEMA), through a combination of interviews and research.

## II.C. ECONOMIC BENEFIT ANALYSIS

This section provides a summary of the economic benefits analysis, including an analysis of documented damages and losses from prior flood events, and an assessment of business disruption attributed to lost business activity.

### II.C.1. Methodology

The results included in this section are intended to incorporate prior related study findings regarding various measures of economic losses that were attributed to major Chehalis River Basin flood events. Recent economic studies by EES Consulting and Earth Economics evaluated overall economic benefits for the entire Chehalis River Basin but did not provide a sub-regional economic benefit assessment. Hence, this work is intended to focus on sub-regional economic benefits that could potentially be considered as a basis for allocating local costs or funding shares for flood mitigation projects or activities.

To undertake this economic benefit analysis, FCS GROUP relied primarily on background studies by local county governments, WSDOT, and FEMA flood insurance data. We also supplemented these local studies with additional economic analysis using the IMPLAN model.

The IMPLAN model is an economic analysis model developed by MIG, Inc. (formerly known as Minnesota IMPLAN Group) to quantify the direct and secondary (indirect and induced) economic effects of changes in investment on local and regional economies. IMPLAN divides economies into 506 industry sectors. The IMPLAN model was originally developed by the U.S. Department of Agriculture (USDA) Forest Service, in cooperation with the U.S. Department of the Interior, Bureau of Land Management, to assist in land and resource management planning. The IMPLAN model has been in use since 1979 and has evolved into an interactive microcomputer program that has become the national standard for performing economic impact analysis. For more detailed information about the IMPLAN model, please visit [www.IMPLAN.com](http://www.IMPLAN.com).

For analysis purposes, FCS GROUP utilized the IMPLAN models for each of the three counties included in the study basin (Lewis, Thurston, and Grays Harbor counties) for the most recent year available 2009. Estimates of local employment by specific business sector were derived from the U.S. Census of employment (2007 data) using the U.S. Census *LED On-The-Map* program for the floodplain area and the basin area. Only “Primary Jobs,” jobs counted as one job per person, are considered in this analysis, not “All Jobs.”

The results depict the economic impacts of business disruption within the floodplain attributed to one full day of business closure. All results have been converted to 2010 dollars using the U.S. Bureau of Labor Statistic Consumer Price Index.

The advantage of the IMPLAN model is that it serves as a consistent means of comparing economic benefits from reductions in business disruption among multiple jurisdictions. The model can be used to quantify the local (direct) impacts as well as the regional (indirect and induced impacts). For example, a large flood event will prevent the businesses within the floodplain from operating. Economic output will not be generated by these businesses, workers will not be paid, goods will not be sold, and business income will not be generated. Lost business income will generate indirect and induced impacts that extend beyond the floodplain into the larger regional market area, which in turn affects other businesses in the form of lower sales and less economic output. In light of the direct and indirect impacts, protecting the floodplain area has measurable regional economic importance.

In addition to measuring the value of business disruption, IMPLAN is also used in this analysis to quantify the short-term economic benefit of constructing flood mitigation projects. The economic benefit from construction spending will vary by project type and location, but will have local as well as regional benefits given the direct and indirect wage and income benefits described above. **(Figure II.2)**

Figure II.2 – IMPLAN Terminology

**Abridged Definitions of IMPLAN Economic Analysis Terms**

**Direct Impacts:** *The direct economic activity (employment, income, etc.) expected from business facilities and operations located in the floodplain.*

**Indirect Impacts:** *The regional economic activity (employment, income, etc.) that results from the direct economic activity.*

**Induced Impacts:** *The regional economic activity that results from the indirect impacts of business spending and indirect household spending. This includes the interaction of all businesses (such as business to business supply chain purchases) within the local area and the larger market region.*

**Economic Output:** *The value of economic activity of goods and services produced. It reflects estimated annual gross sales minus the value of inventory.*

**Employment:** *People working at business enterprises including full and part time workers.*

**Labor Income:** *A subcomponent of “value added”: the value of employment payroll during the calendar year.*

**Sector:** *The units that make up the total economy: business, households and institutions, and general government.*

**Value Added:** *The difference between an industry’s total economic output and the cost of its intermediate input (consumption of goods and services purchased from other industries). The direct annual value added is sometimes referred to as gross domestic product.*

## II.C.2. Economic Impacts of Business Disruption

Economic disruption from lost business income during a flood event was calculated using the IMPLAN model for each of the affected counties. The per day economic disruption is represented by jobs in the floodplain and related lost labor income, value added and economic output at risk due to one day of closure. The potential amount of economic loss attributed to one full day of business disruption in the floodplain is estimated to result in the direct loss of approximately \$2.5 million in labor income, \$4.2 million in value added, and \$8.25 million in lost output for the local economy. These direct impacts would create additional indirect and induced regional economic impacts of approximately: \$958,000 in additional lost labor income; \$1.7 million in lost value added; and \$2.9 million in lost economic output for the larger region (see **Table II.2**).

As indicated in **Table II.2**, the total (direct, indirect and induced) amount of business disruption from one day of lost business activity in the floodplain is estimated at approximately: \$3.5 million in lost labor income; nearly \$5.9 million in lost value added; and nearly \$11.2 million in lost economic output.

**Table II.2 – Per Day Business Activity At-Risk, Chehalis River Floodplain  
 (2009 Dollars)**

Impact Type	Labor Income	Value Added	Output
Direct Effect	\$2,548,053	\$4,183,563	\$8,254,803
Indirect Effect	\$488,737	\$861,635	\$1,590,401
Induced Effect	\$469,261	\$828,309	\$1,351,381
<b>Total</b>	<b>\$3,506,051</b>	<b>\$5,873,508</b>	<b>\$11,196,584</b>

Source: 2009 IMPLAN models for Grays Harbor, Lewis and Thurston Counties, US Census LED On The Map (employment estimates). Analysis based on 260 working days per year.

In light of the fact that the December 2007 flood event closed Interstate 5 for four days, the cumulative amount of lost business activity during a four-day event would be approximately four times the amounts shown in **Table II.2**, or \$10.4 million in lost labor income; \$23.2 million in lost value added; and \$44.2 million in lost economic output (direct, indirect and induced local and regional impacts).

The estimated allocation of business impacts during a one-day closure of businesses within the Chehalis River floodplain by county is provided in **Table II.3**.

According to the report prepared by Lewis County titled *December 3, 2007 Chehalis River Flooding Event Description* (“*One Year Later Report*” prepared November 20, 2008; and revised financial figures as of August 1, 2009), “many small, independent businesses failed to reopen after the (2007) flood.” In addition to lost economic activity, labor income and output during the flood event, businesses and residents experienced significant loss of property, inventories, and land values.

**Table II.3 – Daily Estimated Business Disruption At-Risk in Chehalis Floodplain  
 (2009 Dollars)**

Grays Harbor County Floodplain Per Day			
Impact Type	Labor Income	Value Added	Output
Direct Effect	\$1,227,243	\$1,950,898	\$4,593,204
Indirect Effect	\$295,707	\$507,679	\$977,262
Induced Effect	\$218,693	\$385,583	\$639,825
<b>Total</b>	<b>\$1,741,643</b>	<b>\$2,844,161</b>	<b>\$6,210,290</b>
Lewis County Floodplain Per Day			
Impact Type	Labor Income	Value Added	Output
Direct Effect	\$1,181,277	\$2,036,831	\$3,350,563
Indirect Effect	\$177,204	\$325,252	\$563,215
Induced Effect	\$226,568	\$399,856	\$642,975

<b>Total</b>	<b>\$1,585,050</b>	<b>\$2,761,939</b>	<b>\$4,556,753</b>
<b>Thurston County Floodplain Per Day</b>			
<b>Impact Type</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Output</b>
Direct Effect	\$53,001	\$67,365	\$93,272
Indirect Effect	\$3,818	\$6,854	\$11,093
Induced Effect	\$10,117	\$18,407	\$27,967
<b>Total</b>	<b>\$66,936</b>	<b>\$92,627</b>	<b>\$132,332</b>
<b>Chehalis Tribe Floodplain Per Day</b>			
<b>Impact Type</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Output</b>
Direct Effect	\$86,531	\$128,469	\$217,764
Indirect Effect	\$12,008	\$21,849	\$38,831
Induced Effect	\$13,882	\$24,462	\$40,613
<b>Total</b>	<b>\$112,421</b>	<b>\$174,781</b>	<b>\$297,208</b>
<b>Total Floodplain Per Day</b>			
<b>Impact Type</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Output</b>
Direct Effect	\$2,548,053	\$4,183,563	\$8,254,803
Indirect Effect	\$488,737	\$861,635	\$1,590,401
Induced Effect	\$469,261	\$828,309	\$1,351,381
<b>Total</b>	<b>\$3,506,051</b>	<b>\$5,873,508</b>	<b>\$11,196,584</b>

\* Per Day based on 260 working days per year, based on IMPLAN model for the Chehalis River Basin area.

According to the Lewis County “*One Year Later Report*”, major shopping centers and businesses along the I-5 corridor and along the “Miracle Mile” between Centralia and Chehalis took on 5 to 8 feet of water and I-5 was inundated with 14 feet of water and remained closed for four days.

Within Lewis County, five businesses closed permanently as a result of the 2007 flood event and 15 additional businesses closed for between 4 and 11 months. There were 222 separate business loss reports tallied by Lewis County with an estimated aggregate economic loss of \$26.5 million. In addition to these business impacts, another 17 large corporate businesses within the floodplain reported “major business losses” totaling \$78.8 million (costs stated in 2009 dollars).<sup>5</sup>

The business loss data estimated tallied in the “*One Year Later Report*” reflected 222 businesses and 17 large corporations. This is considered an under-estimate of

<sup>5</sup> Source: Lewis County, December 3, 2007 Chehalis River Flooding Event Description (“one year later report”) prepared November 20, 2008; and revised financial figures as of August 1, 2009

actual business damages and losses, since it includes only what was reported by Lewis County by cooperating businesses and corporations. The data are neither a comprehensive sum of business losses and damages nor a complete list of businesses that experienced losses. As a result, business impacts costs estimates in Lewis County should be considered conservative.

This level of detail regarding business disruption from prior flood events was not available for Thurston or Grays Harbor counties or the Chehalis Tribe. However, Thurston County did report a business damage estimate of \$2,027,904 from the 2007 December flood event, and a business damage estimate of \$58,926 from the 2009 flood event.<sup>6</sup>

In addition to estimated business disruption and damages, Lewis County and the Washington State Department of Transportation (WSDOT) reported economic/business activity lost due to the I-5 closure during the four-day 2007 flood event. During this closure period, both truck and rail commerce was halted in the I-5 corridor. Roadway detours entailed a re-route of freight vehicles between Portland and Seattle via I-84 (Portland to Biggs Junction, Oregon), I-82 (Kennewick), I-90 and I-405 (Ellensburg to Seattle).

According to the WSDOT report, the I-5 detour tripled the driving distance between Portland and Seattle from 200 miles to more than 600 miles. The amount of lost economic output associated with the closure of I-5 is estimated at approximately \$49 million, as indicated in **Table II.4**. In addition to the lost economic output, WSDOT also estimated that there were 290 jobs lost one-year following the I-5 closure, \$2.5 million in lost state tax revenues, and \$15.2 million in lost personal payroll attributed to the four-day closure of I-5 during the 2007 flood event.<sup>7</sup>

**Table II.4 –Estimated Freight Disruption Impacts of Chehalis River Flood Event (2010 Dollars)**

Impact Type	Lost Economic Output
Direct Impact	\$25,932,000
Indirect Impact	\$12,752,000

<sup>6</sup> Source: presentation to Chehalis River Basin Flood Authority, Public Meeting, October 14, 2010

<sup>7</sup> Source: Washington Department of Transportation and Washington State University, Storm-Related Closures of I-5 and I-90: Freight Transportation Economic Impact Assessment Report, Winter 2007-08; adjusted by FCS GROUP to 2010 dollars

Induced Impact	\$10,406,000
<b>Total Economic Output Lost</b>	<b>\$49,090,000</b>
State Tax Revenue Lost	\$2,502,000
Reduction in Personal Income	\$15,223,000
Employment Loss (jobs)	290

*Source: Washington Department of Transportation. Adjusted to 2010 dollars by FCS GROUP.*

### II.C.3. Residential Impacts of Flood Damage

The amount of residential losses that were attributed to recent flooding far exceeds the amount of business losses and freight disruption losses. According to the “*One Year Late Report*” by Lewis County (analysis of the 2007 flood event), residential losses included structure damage, the destruction of personal property, insured losses, and elevation costs. The costs reported by Lewis County included 3,000 residential structures, with total reported economic losses of \$192.4 million in 2009 dollars.

Thurston County reported \$13.46 million in total damages to homeowners from the 2007 flood event, and \$1.6 million in homeowner damages from the 2009 flood event.

FEMA conducted additional residential property analysis in the City of Centralia with respect to losses avoided through flood hazard mitigation. The report titled *Evaluating Losses Avoided Through Hazard Mitigation* (February 2008) noted that over the past 15 years, public agencies and private homeowners have invested several million dollars to acquire and elevate flood prone residential structures in Lewis County. The economic assumptions used in the report include:

- ◆ Building replacement costs of \$99.46 per square foot (2008 estimates intended to be specific to the Centralia area)
- ◆ Content value equal to 40 percent of building replacement cost
- ◆ Default depth–damage relationships for residential structures, content value and displacement costs were based on the *Riverine Full Data BCA Modules*
- ◆ A building damage of 50 percent or more would result in demolition of entire structure

After reviewing the actual cost for elevating 116 homes in Centralia, FEMA concluded the average cost of elevating a home to be \$29,069. FEMA evaluated how a flood event similar to that which occurred in 2007 would result in economic losses for the Centralia area, and concluded that the amount of avoided losses

would be approximately \$1,905,760 (\$54,450 per residential structure), and the cost of mitigation associated with home elevation would be \$1,017,415. Hence, the benefit–cost ratio from this mitigation measure after just one major flood event was almost two to one.

No residential damage estimate data were provided for Grays Harbor County.

#### II.C.4. Flood Insurance Premium Losses

Flood insurance is almost always required by mortgage holders for properties located within the 100–year floodplain. According to the FEMA, there are 1,881 flood insurance policies in Lewis County covering \$3.2 million in property, and in Thurston County there are 3,599 policies that cover over \$5.0 million in property.<sup>8</sup> These policies appear to reflect properties within the Chehalis River floodplain as well as other floodplain areas (e.g. along the Nisqually River). Hence, the use of FEMA data may not be an accurate indicator of flood insurance risks or losses associated with Chehalis River flooding events.

Similar findings were not available for Grays Harbor County or for the Chehalis Tribe.

FEMA tracks the amount of National Flood Insurance Program payments by local jurisdiction over time. As indicated in **Table II.5**, the amount of payments made by FEMA over the 1978 to 2009 time frame ranges from \$686,941 in the City of Aberdeen to \$28 million for premium holders in the City of Chehalis.

**Table II.5 –National Flood Insurance Premium Loss Statistics  
 1978 to 2009**

County/City	Payment Amount
Thurston County (unincorporated)	\$3,448,798
Lewis County (unincorporated)	\$22,542,192
Grays Harbor County (unincorporated)	\$4,364,470
City of Aberdeen	\$686,941
City of Chehalis	\$28,041,374
City of Centralia	\$25,339,954

*Source: Federal Emergency Management Agency, National Flood Insurance Program data*

<sup>8</sup> Source: FEMA policy estimates reported in interview with Mike Howard, external affairs director for FEMA office covering Washington, Idaho, Alaska, and Oregon, by Seattle Times reporter Sara Jean Green, December 8, 2007.

*(Sept. 30, 2010), compiled by FCS GROUP.*

## II.C.5. Property and Public Facility Damage

The background studies prepared by Lewis County and WSDOT, and to a lesser extent Thurston County, provide a quantitative assessment of property and infrastructure damages that resulted from the 2007 flood event. This event recorded the highest flood stage levels recorded along the Chehalis River. In December 2007, the highest river crests were recorded at Mellen Street, at nearly 10 feet over the flood stage (74.78 feet). The previous record level was recorded in February 1996 at 74.30 feet. Many residents were evacuated from their homes. In addition to the loss of personal property and real property, thousands of farm animals, crops, and pets were lost to the river.<sup>9</sup>

The extent of property damage from the 2007 flood event included both private residential and business properties and public infrastructure. Over 3,000 homes received some level of water damage in Lewis County alone, and 1,000 of these homes were classified as “major to destroyed” in terms of losses.

As indicated in **Table II.6**, the financial losses in Lewis County from the 2007 flood event included an estimated \$512.1 million in damages. Residential losses amounted to approximately \$192.4 million in estimated damages, or 36 percent of total losses. Business losses amounted to \$120.14 million, including \$26.5 million in losses at “local owned” establishments, and \$93.94 million at corporate-owned establishments. A large portion of the “corporate owned” business losses included \$48 million in transportation costs associated with the I-5 closure (which is also reflected in the WSDOT data reported in **Table II.4**).

**Table II.6 –Lewis County “One Year Later” Loss Statistics from 2007 Flood Event (2009 Dollars)**

Loss Type	Description	Amount
Residential	3,000 structures, personal property, insured losses, elevation costs	\$192,402,000
Business (local-owned)	222 preliminary reports minus major stores	\$26,500,000
Business (major)	Major (17 corporations)*	\$93,640,000

<sup>9</sup> Source: December 3, 2007 Chehalis River Flooding Event Description, prepared by Lewis County, November 30, 2008; revised August 1, 2009.

corporations)		
Agriculture/Farm	126 farms, animal replacement, feed	\$4,641,000
Aid & Grant Contributions	Non-profit, social services, faith-based	\$24,164,000
Public Infrastructure	Local Buildings, debris, roads bridges	\$58,613,000
Government Revenue	Permitting, taxes	\$68,963,100
Other Local Agencies	Fire Services, Port Districts	\$1,659,000
State Agencies & Parks	Includes clean up and infrastructure	\$19,241,000
Federal Agency Costs	Railroads, Levees, Federal Highways	\$22,245,000
<b>Total</b>		<b>\$512,068,100</b>

*\* includes approximately \$48 million in local and regional business losses.*

*Source: December 3, 2007 Flood – One Year Later Report by Lewis County, prepared Nov. 2008, revised August 2009.*

The extent of private losses in Lewis County that are associated with the 2007 flood event include an estimated \$223.54 million in structure damage, lost business revenue, and agricultural damage. An additional \$26.16 million in tax payer money was allocated to local residents and businesses and non-profits working on flood cleanup and emergency assistance. (Table II.7)

**Table II.7 –Lewis County “One Year Later” – Private Loss Statistics  
 from 2007 Flood Event (2009 Dollars)**

Loss Type	Description	Cost
Residential	Structure repairs, personal property losses, insured losses, homes destroyed, homes elevated/repared	\$192,402,000
Business (smaller est.)	Based on 222 reports	\$26,500,000
Business (corporate est.)	Based on 17 reports (\$45.64 M) plus transportation industry business losses (\$48 M)	\$93,640,000
Agriculture	Animal Indemnity Program, feed/hay supplement, equipment/structure losses	\$4,641,000
<b>Property &amp; Content Damage, Cleanup Subtotal</b>		<b>\$223,543,000</b>
Federal Aid & Grant Contributions (to private sector)	American Red Cross, United Way, donated animal medical, feed, hay, Small Business Administration Loans, FEMA ONA rental assistance	\$24,164,000
<b>Total</b>		<b>\$341,344,000</b>

\* includes approximately \$48 million in local and regional business losses.

Source: December 3, 2007 Flood – One Year Later Report by Lewis County, prepared Nov. 2008, revised August 2009.

The extent of public losses (including Lewis County, City of Centralia, City of Chehalis, Town of Pe Ell, and Washington state and federal agencies) associated with the 2007 flood event has been estimated by Lewis County in the *One Year Later Report*. A total of \$170.7 million in public losses were recorded in the *One Year Later Report*, as indicated in **Table II.8**. The highest loss categories included declining government property and sales tax revenues (\$68.96 million); public buildings (\$45.05 million); and highway and railway damage (\$22.45 million).

A separate flood damage study by Thurston County reported \$4.56 million in local public agency flood damage from the 2007 flood event, and \$2.5 million in public damage from the 2009 flood event.

In addition to the business disruption, highway damage, railway damage and repair costs, WSDOT has estimated that the cost to raise the I-5 freeway to avoid future

flood events similar to that which occurred December 2007 to be approximately \$100 million. Locations prone to flooding along I-5 include three areas: the Highway 6 overpass; airport area; and the Saltzer Creek to Mellen Street area.<sup>10</sup>

No additional data were provided by Grays Harbor County or the Chehalis Tribe.

**Table II.8 –Lewis County “One Year Later” Public Loss Statistics  
 from 2007 Flood Event (2009 Dollars)**

Loss Type	Description	Cost
Structures	County buildings	\$45,047,000
Centralia Debris	Cleanup, debris removal, equipment costs	\$876,000
Chehalis Debris	Cleanup, debris removal, equipment costs	\$700,000
Town of Pe Ell	Water & Wastewater Treatment Plant	\$7,000,000
Non-FEMA/Insured County Losses		\$3,916,000
Non-Reimbursed County Costs	Debris disposal, mobile home removal, water testing	\$1,074,000
Government Revenue Losses	Cities of Chehalis and Centralia, tax refunds, property tax assessment loss, sales tax revenue	\$68,963,100
Other Agencies and Ports	Fire Districts, Centralia Port District	\$1,659,000
State Agencies	WA State Patrol, Employment Security, State Lands Cleanup,	\$2,180,000
Parks	Rainbow Falls, Willapa Hills Trails, bridge replacement/removal	\$17,061,000
Federal Agencies	Highway damage, ecology, Curtis railroad, Levees	\$22,245,000
<b>Total</b>		<b>\$170,721,100</b>

\* includes approximately \$48 million in local and regional business losses.

Source: December 3, 2007 Flood – One Year Later Report by Lewis County, prepared Nov. 2008, revised August 2009.

<sup>10</sup> Source: EES Consulting, Chehalis River Flood Water Retention Project Phase IIB Feasibility Study, Draft report, November 10, 2010.

## II.C.6. Emergency Management and Clean Up Costs

The background studies prepared by Lewis County provide an estimate of emergency management, debris removal and clean up costs. The Lewis County Emergency Operations Center coordinated water, air and land rescue activities for 10 days during the 2007 flood event. The Sherriff's Office and County staff provided over 7,000 hours of response and recover time over the December 3 to December 13, ten-day period. These public agencies were assisted by over 24 other public and community groups in the recovery efforts.<sup>11</sup>

The costs of emergency management and cleanup are referenced in the public agency cost estimates listed in **Table II.8**, and include nearly \$5 million in unreimbursed costs in Lewis County, \$7 million in water and wastewater treatment plant rehabilitation in the Town of Pe Ell, and \$1.58 million in clean up costs in the cities of Centralia and Chehalis combined.

In Grays Harbor County, 81 mph wind gusts, landslides, and flooding from the Chehalis River resulted in 33,000 power outages from the December 2007 storm event. Numerous injuries and one death were reported by Grays Harbor Emergency Services.<sup>12</sup>

No additional detailed data on specific economic damages or losses were provided by Grays Harbor County, Thurston County, or the Chehalis Tribe.

## II.C.7. Environmental Benefits

In addition to the avoided business and resident impacts, public tax revenue impacts, property damage costs, and clean-up costs that could be realized from flood mitigation, there are significant environmental benefits from reduced flooding within the Chehalis River Basin. The Flood Authority contracted with Earth Economics to evaluate the economic benefits related to ecosystem preservation that can be attributed to flood protection. The findings from the Earth Economics study estimated the economic value of natural systems in the Chehalis River Basin, including forests, rivers, lakes, wetlands, soils, agriculture, and recreational areas. Key findings from the study:

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<sup>11</sup> Source: December 3, 2007 Chehalis River Flooding Event Description, prepared by Lewis County, November 30, 2008; revised August 1, 2009.

<sup>12</sup> Source: December 1 – 17, press coverage by *The Daily World*, and Grays Harbor County Flood Hazard Profile report.

- ◆ Natural, man-made infrastructure, and social infrastructure provide flood protection in the Chehalis River Basin.
- ◆ An analysis of 12 Chehalis River Basin ecosystem services is estimated to provide an economic benefit of \$1.3 to \$11.6 billion to citizens annually. The ecosystem services reflect items such as flood protection, recreational value, aesthetic value, water filtration, oxygen production, and plant and animal habitat quality.
- ◆ The present value of the annual flow of ecosystem benefits (at a 2.7 percent discount rate) ranges from \$43 to \$400 billion for the Chehalis River Basin. These benefits are provided to people living inside and outside the Basin.

While the benefits from ecosystem preservation are extensive from an economic perspective, ecosystem benefits cannot be easily quantified for specific geographies (such as counties). Hence, the economic analysis of ecosystems cannot serve as a formal basis for local funding or revenue sharing methodology purposes.

### II.C.8. Summary of Flood Damage Avoidance Benefits

To estimate overall economic losses from the 2007 flood event, FCS GROUP tallied available information from Lewis County, Thurston County, FEMA, and WSDOT. Since detailed estimates of business revenue losses were not provided by Grays Harbor County or Thurston County, FCS GROUP utilized the IMPLAN model results described previously to estimate local and regional economic impacts associated with business disruption in those areas. The resulting summary of economic impacts associated with a four-day event, such as the 2007 flood event are provided in **Table II.9**. Total economic losses from the 2007 flood event include an estimated \$925.3 million, including approximately \$590.9 million in local/regional impacts, and \$334.4 million in statewide impacts.

**Table II.9 – Summary of Economic Impacts and Losses  
 from 2007 Flood Event (2010 Dollars)**

<b>Cost Type</b>	<b>Local/Regional Impact</b>	<b>Statewide Impact</b>	<b>Total</b>
Local Business Disruption <sup>1</sup>	\$45,000,000	–	\$45,000,000
Property & Content Damage, Cleanup <sup>2</sup>	\$340,343,000	–	\$340,343,000
Transportation/Infrastructure Damage <sup>3</sup>	\$86,696,000	\$23,375,000	\$110,071,000
Government Revenue Loss (tax dollars)	\$70,087,000	–	\$70,087,000
Transportation Disruption <sup>4</sup>	\$48,782,000	\$310,998,000	\$359,780,000
<b>Total</b>	<b>\$590,908,000</b>	<b>\$334,373,000</b>	<b>\$925,281,000</b>

*Notes:*

<sup>1</sup> Based on IMPLAN analysis for Lewis, Thurston, and Grays Harbor counties.

<sup>2</sup> Reflects findings from Lewis County "One Year Later Report" and Thurston County estimates.

<sup>3</sup> Reflects findings from Lewis County "One Year Later Report".

<sup>4</sup> Includes findings from Lewis County "One Year Later Report" and WSDOT estimates. Compiled and adjusted to 2010 dollars by FCS GROUP, Inc.

### II.C.9. Potential Property Value Benefits

In addition to the documented local benefits from reductions in business disruption, property and clean-up losses, transportation/infrastructure damage, government revenue losses, and transportation disruption, there is also potential for future public investment in flood mitigation projects to result in permanent increases in property values. This often occurs after flood mitigation projects result in floodplain boundary alterations by the Corps of Engineers and after FEMA lowers the level of flood risk for properties (reclassifies areas that were previously prone to flooding).

While the analysis of potential property value enhancement is speculative, it can provide a consistent comparison of potential property value enhancement that may be realized for each local jurisdiction. FCS GROUP worked with local county assessor database records to evaluate the existing value of land and improvements within the Chehalis River floodplain and basin areas. The analysis is intended to represent a conservative relative comparison of the value of land area for properties by their

general land use classification. The results may be informative to help quantify the economic benefit to properties, which is measured in terms of expected increases in *land value* if properties are removed from the floodplain. While there may also be some benefit in form of higher levels of private investment and related assessed improvement values, the level of improvements would be more indicative of long-term market conditions and local zoning regulations, which are not as predictable and consistent as land value estimates.

A preliminary analysis of 95,002 tax lots within the Chehalis River Basin area indicates that the average assessed land value per square foot of land area is \$0.77/SF inside the Chehalis River floodplain and \$1.08/SF outside the floodplain (within the Chehalis River Basin area). While there is a significant difference in land values by land use zoning or classification, this analysis generally indicates that the land values (excluding improvements) are approximately 40 percent higher outside the floodplain than inside the floodplain. This finding implies that if all of the land area in the floodplain (380,000 acres) was protected from future flooding, the potential assessed value created could be about \$720 million (see **Table II.10**).

**Table II.10 – Summary of Land Values, Chehalis River Floodplain and Contributing Areas (Assessed Land Value per SF of Land Area)**

	Outside Floodplain	In Floodplain	Difference
Agricultural	\$0.11	\$0.06	\$0.05
Forest	\$0.01	\$0.02	(\$0.01)
Commercial	\$2.13	\$1.55	\$0.58
Industrial	\$2.67	\$0.85	\$1.82
Multifamily	\$2.76	\$3.23	(\$0.47)
Single Family	\$0.79	\$0.26	\$0.53
Other, Res.	\$0.33	\$0.32	\$0.01
Public	\$0.83	\$0.57	\$0.26
Vacant	\$0.08	\$0.06	\$0.02
<b>Total/Average</b>	<b>\$1.08</b>	<b>\$0.77</b>	<b>\$0.31</b>

*Source: compiled by Real Urban Geographics and FCS GROUP based on local county assessor data, Jan. 2010.*

## II.D. CONSTRUCTION BENEFIT ANALYSIS

This section provides an assessment of the potential local and regional economic benefits from construction of flood mitigation projects, such as reservoirs, levees, and multipurpose flood control structures.

In light of the fact that specific flood control projects and related capital and operating cost estimates are still being formulated, the construction benefit methodology relies on the IMPLAN model (described previously) and assumes \$1.0 million in annual construction spending on flood-control facilities. As mentioned previously, the IMPLAN model utilizes county and regional economic input-output assumptions for 506 separate industry sectors.

For analysis purposes, FCS GROUP assumed that the \$1.0 million in construction spending is allocated in the following sector distribution (according to IMPLAN sector definitions): 80 percent to water, sewage and other treatment and delivery; 10 percent to architectural and engineering services; and 10 percent to environmental and other technical consulting. The benefits are reported in **Table II.11**.

The results indicate that \$1.0 million in capital spending is expected to generate approximately:

- ◆ 11 total jobs, including 6.9 direct jobs and 4.1 indirect/induced jobs (person years of employment);
- ◆ \$544,689 in direct and indirect/induced annual labor income;
- ◆ \$901,676 in direct and indirect/induced value added;
- ◆ \$1.4 million in direct and indirect/induced annual economic output.

**Table II.11 – Construction benefit per \$1,000,000 of Flood District Mitigation Improvements (2010 Dollars)**

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	6.9	\$394,890	\$660,167	\$1,000,000
Indirect Effect	1.7	\$69,849	\$97,310	\$170,260
Induced Effect	2.3	\$79,951	\$144,199	\$235,997
<b>Total Effect</b>	<b>11</b>	<b>\$544,689</b>	<b>\$901,676</b>	<b>\$1,406,257</b>

*Source: IMPLAN model (2009) for Lewis County, adjusted to 2010 dollars by FCS GROUP.*

## II.E. POTENTIAL FUNDING ALLOCATION METHODS

The results from the economic benefit analysis can serve as a basis for future inter-governmental funding agreements or local cost-sharing responsibilities. Local governments may consider a number of options as they formulate future revenue sharing allocations for projects that mitigate flooding within the Chehalis River Basin. For analysis purposes, FCS GROUP has identified potential metrics that may

serve as a basis for formulating a locally preferred funding allocation method, addressed in report Section VIII. It is also possible to consider a weighted or unweighted average of these methods to derive additional allocation options.

Technical documentation in support of the findings in this section are located in **Appendix C**.

## Section III. Governance Structure of a Chehalis River Basin Flood District (Phase 1 / Task 1)

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Rivers, watersheds and floods do not generally follow established jurisdictional boundaries. Further, floods of large river systems can only be effectively managed by managing the entire river basin as a whole. The Flood Plan examined Washington State statutes for this purpose and considered the alternatives for creation of a Chehalis River Basin-wide flood district to a Flood Control District (RCW 86.09) and a Flood Control Zone District (RCW 86.15).

### III.A. STATUTORY AUTHORITY SUMMARIES

#### III.A.1. Summary of Flood Control District Authority (RCW 86.09)

A Flood Control District may include one or more counties and include cities within its boundary. It is initiated either by a petition of property owners, or by resolution of the county legislative authority. However, the actual formation is by public vote of the registered voters with the district boundary. The Board is elected. The purposes of a Flood Control Zone District are (RCW 86.09.010):

(1) the investigation, planning, construction, improvement, replacement, repair or acquisition of dams, dikes, levees, ditches, channels, canals, banks, revetments and other works, appliances, machinery and equipment and property and rights connected therewith or incidental thereto, convenient and necessary to control floods and lessen their danger and damages.

(2) the cooperation with any agency or agencies of the United States and/or of the state of Washington in investigating and controlling floods and in lessening flood dangers and damages.

A Flood Control District has a single means to raise revenue to fund projects: assessments levied against benefiting properties from specific projects. It has no taxing or rate setting authority. A Flood District is limited to issuing revenue bonds, generally at higher interest rates than general obligation bonds.

A Flood Control District has no land use or regulatory authority.

The full text of RCW 86.09 is included in **Appendix D**.

### **III.B. SUMMARY OF FLOOD CONTROL ZONE DISTRICT AUTHORITY (RCW 86.15)**

A Flood Control Zone District is limited to a boundary within a single county, including cities within its boundary. It is formed by vote of the county board of commissioners. Its boundary is subject to the county's Boundary Review Board process. FCZD boundaries may not overlap. The FCZD Board of Supervisors is initially the Board of County Commissioners, but may later be directly elected. The statute authorizes an Advisory Committee of up to 15 members.

A FCZD may levy a property tax as a junior taxing district of up to 50 cents per thousand of Assessed Valuation (AV). FCZDs have low priority in the hierarchy of junior taxing districts. A FCZD also may enact rates, similar to those of a storm water utility, and assessments for projects benefiting specific properties. It may also issue general obligation bonds with a public vote, or revenue bonds without a public vote.

A FCZD has no land use or regulatory authority.

The full text of RCW 86.15 is contained **Appendix D**.

### **III.C. INTERLOCAL AGREEMENTS**

State statute provides the authority through interlocal agreements to combine FCZDs and other governance structures which could form the basis of a multi-jurisdictional, basin-wide flood district. The State Interlocal Cooperation Act (RCW Chapter 39.34) and the Watershed Management Partnership authorization (RCW 39.34.200) provide the means to assemble a Chehalis River Basin Flood District from the individual members. To achieve comprehensive coverage of the Chehalis River Basin within Grays Harbor, Lewis, and Thurston Counties, and the Chehalis Tribe, an interlocal agreement could combine FCZDs established within the underlying counties, and separately the Chehalis Tribe. The details of the Interlocal Cooperation Act and the Watershed Management Partnership authorization are included in **Appendix E**.

Several policy papers on the governance, financing and legal aspects of the development of a Chehalis River basin-wide Flood District, which are summarized herein, were presented to the Flood Authority for their deliberations, and are included in **Appendix F**. (Phase 2/Task 1)

### III.D. FLOOD DISTRICT AUTHORITY COMPARISONS

**Table III.1** summarizes the different forms of county flood district authorities.

**Table III.1 – Comparison of County Flood District Authorities**

	Flood Control District	Flood Control Zone District
Formation	Public Vote	County Board Vote
Board	Elected	Elected or Appointed
Boundary	Multi-Jurisdiction authorized	Multi-Jurisdiction through Interlocal Agreement
Financing	Assessments associated with specific projects	Taxes, Rates, Assessments for projects and general operations
Bonds	Non-Voted Revenue Only	Non-Voted Revenue and General Obligation with a Public Vote

### III.E. EXISTING STORM WATER MANAGEMENT UTILITIES IN THE CHEHALIS RIVER BASIN

Another governance and financing structure for flood control funding relevant to the Chehalis River Basin is a surface water management (SWM) utility organized under either RCW 36.89 or RCW 36.94. SWM utilities have been in existence in Washington State since the late 1960s. They are formed by both cities and counties, primarily to manage and fund local drainage control programs and projects. Their boundaries may not extend into another jurisdiction’s without their consent. Therefore, while a county may form a SWM utility, it could not include the cities within the county without their agreement.

SWM utilities may levy rates, usually based on impervious surface. The concept is that increased impervious surface prohibits precipitation from its normal course of interception, infiltration, evaporation, overland and groundwater flow, and therefore creates or exacerbates flooding. Impervious surfaces also collect pollutants which are washed off by precipitation causing water pollution. SWM utilities generally fund flow control and water pollution abatement at the local level.

Thurston County and the cities of Centralia and Chehalis, likely among others within the Chehalis River Basin, have existing SWM utilities which fund their local stormwater programs. This structure was not ranked high enough for a comprehensive regional program such as that for the Chehalis River Basin for

further study by the Flood Plan. However, SWM utilities could be a part of an overall solution for the Chehalis River Basin. FCZDs can overlap with SWM utilities. Thurston County has the option to participate in a Chehalis River Basin Flood District through its SWM utility by Interlocal Agreement.

**Table III.2 – Comparison of a County SWM Utility and FCZD**

<b>County (SWM) Drainage Utility</b>	<b>County Flood Control Zone District (FCZD)</b>
Geographic coverage only unincorporated area unless by agreement of cities	Geographic coverage both incorporated and unincorporated area by decision of BOCC
Can levy only charges/rates	Can levy taxes, charges/rates and assessments
Part of County government	Separate quasi-municipal corporation with BOCC as Board of Supervisors, or with separately elected board
Non-Voted Revenue Bonds	Voted GO or Non-Voted Revenue Bonds
Rates generally based on contribution to flooding with highest rates for largest amount of impervious surface (e.g. property characteristics)	Rates may be based on property characteristics, but also taxes and assessments can be levied based on benefits received from flood control (e.g. economic benefits)
More suitable where flooding and flood control is based on impervious surface	More suitable where flooding and flood control is not significantly related to impervious surface
Less compatible with transition to a multi-county FCZD	More compatible with transition to a multi-county FCZD
Cannot shield county from risk/liability associated with flood management	Can shield county from risk/liability associated with flood management
May charge rates to all properties receiving utility service	May charge rates to all properties receiving services, but taxes cannot be charged to non-taxable property

### III.E.1. New Multijurisdictional Flood District Legislation

While existing legislation provides the means to form a regional Chehalis River Basin Flood District, it did not meet all the objectives desired in a new regional flood entity, such as:

- ◆ A directly elected multi-jurisdictional Board

- ◆ Direct ability of the multi-jurisdictional flood district to raise revenue

Although not part of the FCS GROUP scope of work, we were requested to draft new legislation for legislative action in 2011 that would provide these and other amendments to more closely match the objectives of a new Multijurisdictional Flood District for the Chehalis River Basin (**Appendix G**) as an option to a Flood District created through Interlocal Agreement.

**Table III.3 – Comparison of an Interlocal Agreement (ILA) versus New Legislation for a Multi-jurisdiction Flood Control Zone District (MFCZD)**

	ILA	MFCZD
Electing members	By jurisdiction	Whole region (basin)
Taxes	Uniform by jurisdiction	Uniform throughout whole basin if authorized by members
Rates	Tailored to each jurisdiction	Tailored to basin needs
Funding decisions	By jurisdiction	By region

### III.E.2. Chehalis River Basin Flood Authority Deliberations, Direction and Provisional Flood District Decision

The Flood Authority began their analysis of the above options in a workshop on June 24, 2010. (**Appendix B**) [Appendix packet from that meeting] On July 15, 2010 the Flood Authority provisionally selected the model of a regional flood agency formed by Interlocal Agreement of FCZDs within Grays Harbor, Lewis, and Thurston Counties, and the Chehalis Tribe. In the case of Thurston County it was understood that the existing SWM Utility could be a signee as an alternative for forming a Thurston County FCZD. Ultimately, to implement this direction requires each participating county, and the Chehalis Tribe, to form FCZDs, and negotiate and approve an ILA to form the Chehalis River Basin Flood District. Thurston County has the option of amending its SWM utility to accommodate the Chehalis River Basin flood program, to fund its allocation.

They further agreed to initiate new state legislation to achieve the additional objectives of a directly elected Board that would have the authority to raise revenues. Should this new legislation be adopted, the Flood District formed through the ILA would have the option of transitioning the Flood District to the new structure. Finally, the Flood Authority directed that three public workshops be held, one in each county, to provide the public an initial opportunity to provide input on the formation of a Flood District for the Chehalis River Basin.

## Section IV. Public Outreach Workshops, 2010 (Phase 2/Task 6)

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The Community Outreach and Education Plan was reviewed with Flood Authority for refinements at the outset of the process and a final Plan was presented to the Flood Authority prior to proceeding with scheduling of the 2010 public workshops. In addition, prior to the public workshops in each county, FCS GROUP met with county commissioners in each county to explain the scope of the project, the provisional decision by the Flood Authority to form a Chehalis River Basin Flood District through the formation of FCZDs (or SWM utility) and negotiation of a basin-wide Interlocal Agreement, and the purpose of the public workshops to obtain input on this provisional decision prior to proceeding with development.

The provisional decision to form a Chehalis River Basin Flood District through the formation of FCZDs (or SWM utility) and negotiation of a basin-wide Interlocal Agreement was presented at public workshops in Thurston County (October 14, 2010), Grays Harbor County (October 18, 2010), and Lewis County (October 28, 2010). The summaries of the meetings are contained in **Appendix H**. The results of these public workshops provided the following input to the Flood Authority:

- ◆ **Public Vote.** Many participants felt that there should be a public vote on Flood District formation, specifically because the district will have taxing authority. They were also concerned that cities and towns would not have representation on the flood district.
- ◆ **Flood reduction project costs.** Participants said they wanted to know more about the projects before a district was formed and what they cost before they are asked to help pay for them. Questions were asked about moving people out of the floodplain instead of building infrastructure.
- ◆ **Concern about infrastructure projects.** Participants were concerned about the cost and environmental impacts of large scale infrastructure projects. The cost of these projects would be extremely high and would place a large burden on those who have to pay for them. Participants wanted to know more about potential non-structural solutions.

- ◆ **Flood reduction project benefits.** In general, participants said that they do not want to pay to address problems if they are not contributing to them.
- ◆ **Types of project revenue levies.** Participants asked a number of questions about how money could be raised to pay for flood reduction projects, whether the Flood District could use a combination of taxes, rates, and levies to raise money. They were concerned that the Flood District would try to raise the maximum amount possible through these methods. They were concerned about fairness and whether those that helped cause problems, or who would benefit the most, would pay a larger share. There was a general belief that flood problems are caused by “others” or the flood problems could be “lived with”.
- ◆ **Land use concerns.** Participants expressed doubt that the flooding problems could really be fixed; that it would be necessary to remove all buildings from the floodplain. They do not want to pay to fix problems caused by questionable land use decisions.
- ◆ **Flood District boundaries.** Participants had a number of questions about the Flood District boundary— how it was developed and how it will be approved. Participants were generally concerned that those within the boundary should benefit from flood reduction projects and programs.
- ◆ **Public meeting notification.** Participants were concerned by the low turnout, and said that while there may be some public apathy, more effort needed to go into public outreach. They said that it was especially important for people to know about this process, because they might be asked to pay taxes or rates to help pay for projects. They suggested that school reader boards, radio and newspaper advertising, and a larger mailing should be used to notify the public.

A second series of public workshops was planned for spring 2011 to cover the content of the ILA once a final draft of the ILA was agreed to, but prior to final action by the Flood Authority. These were subsequently cancelled by the Flood Authority on March 31, 2011 when agreement could not be reached on further pursuing an ILA at this time. The Flood Authority elected not to constitute an Advisory Committee at this time.

## Section V. Interlocal Agreement Direction (Phase 2/Task 1)

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Since the decision in July 2010 to proceed provisionally with the ILA option, the Flood Authority, assisted by staff and consultants, worked on the two-pronged approach of the individual counties formation of FCZDs, and the negotiation of an ILA that will bind together the FCZDs. While there are many details in the development of an ILA, the primary elements upon which all others elements depend are:

- ◆ Membership
- ◆ Boundaries
- ◆ Voting
- ◆ Capital Improvement Plan
- ◆ Funding allocations
- ◆ Bonding
- ◆ Public votes
- ◆ Floodplain management
- ◆ Advisory Committee

These issues were first discussed with the Flood Authority, some in great depth. Then, to facilitate obtaining input to draft ILA language for the Flood Authority for consideration, FCS GROUP and ESA Adolfson met individually with each member of the Flood Authority during December 2010 and January 2011. The results of these interviews were summarized and presented at the January 20, 2011 Flood Authority meeting. The complete materials from this meeting are included in **Appendix B**, and are summarized herein.

The interviews focused primarily on formation, boundaries, membership, voting, and floodplain regulations. The interview objectives and assumptions were:

- ◆ Based on existing legislation (RCW 86.15)
- ◆ Formation by June 2011
- ◆ Compatible with proposed new state legislation
- ◆ Responsive to public input

## Section VI. Results

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### VI.A. PUBLIC VOTING INTERVIEW RESULTS

A primary interest from the public workshops was to incorporate a public vote into the formation and/or the financing of the Chehalis River Basin Flood District. The following options were provided to each member of the Flood Authority for incorporating public voting:

- ◆ Advisory Ballot in each jurisdiction to form FCZDs prior to June 2011
- ◆ Advisory Ballot on Capital Plan before funding
- ◆ Advisory Ballot on funding plan
- ◆ Required vote on bonds, which includes both capital and funding plans
- ◆ Election of Board
- ◆ No Vote

All Flood Authority members recognized the importance of public voting on capital projects, funding plan and/or bonding. All members recognized that Flood District formation was not the most important issue for holding a public vote, but rather the projects or the financing were more important. Many members acknowledged the value of electing the Flood District Board members.

### VI.B. FORMATION INTERVIEW RESULTS

Flood Authority members generally agreed with formation of the Flood District by Counties and the Chehalis Tribe through the formation of FCZDs or equivalent (e.g. Thurston County SWM Utility) and then joining together through an interlocal agreement to raise funds for implementation of a future capital project plan. However, embodied in the ILA should be an opportunity for the public to vote on the capital plan, financing, and/or bonding before proceeding. There was also interest in a provision for future election of Board members should the new proposed state legislation be enacted.

## VI.C. BOUNDARY INTERVIEW RESULTS

It was understood that the boundaries would initially be set by each jurisdiction when they form their FCZDs, or equivalent. These were initially set as Washington Department of Ecology Water Resource Inventory Areas (WRIAs) 22 and 23. However, these would be subject to the Boundary Review Boards for each county boundary. Thurston County requested that Black Lake be removed from the boundary based on surface flows discharging outside of the Chehalis River Basin. The Confederated Tribes of the Chehalis Reservation lands could be included only with the Tribes' consent. Only Lewis, Grays Harbor, and Thurston counties, comprising a majority of the basin impacted by flooding, and their cities, would be included. But there was acknowledgement that other counties are within the Chehalis River Basin. The opportunity for establishing subareas within the larger boundary was to be retained.

A map of this boundary is included in **Figure II.1**

## VI.D. MEMBERSHIP INTERVIEW RESULTS

RCW 86.15 provides that the Board of County Commissioners is the initial Board for a county FCZD; however, they can subsequently be elected. However, Board members for the basin-wide Flood District would be appointed until the new proposed state legislation providing for an elected Board is enacted. Elected Board members must conform to equal representation. The Flood District can appoint *ex officio* members and an Advisory Committee.

All Flood Authority members considered the current 11-member Flood Authority too large. All members preferred Board membership of four to six. All members recognized the importance of city representation, which was supported by the public workshop input as well. All members realized that the initial Board must be appointed, but members could later stand for election. All members recognized the value of the State as an *ex officio* Board member. Most members were considering the pros and cons of elected versus appointed Board members.

### Pros and Cons of Appointed Board

- ◆ + New precincts unnecessary
- ◆ +/- Stronger ties to counties/cities (less independent and potentially less focused)
- ◆ - Potentially less opportunity for cities representation unless larger Board
- ◆ +/- Potentially more opportunity for special interest representation

- ◆ +/- Potentially less delegated power to non-elected Board
- ◆ +/- Power sharing negotiated (AV, financial contribution, population, area, etc.)

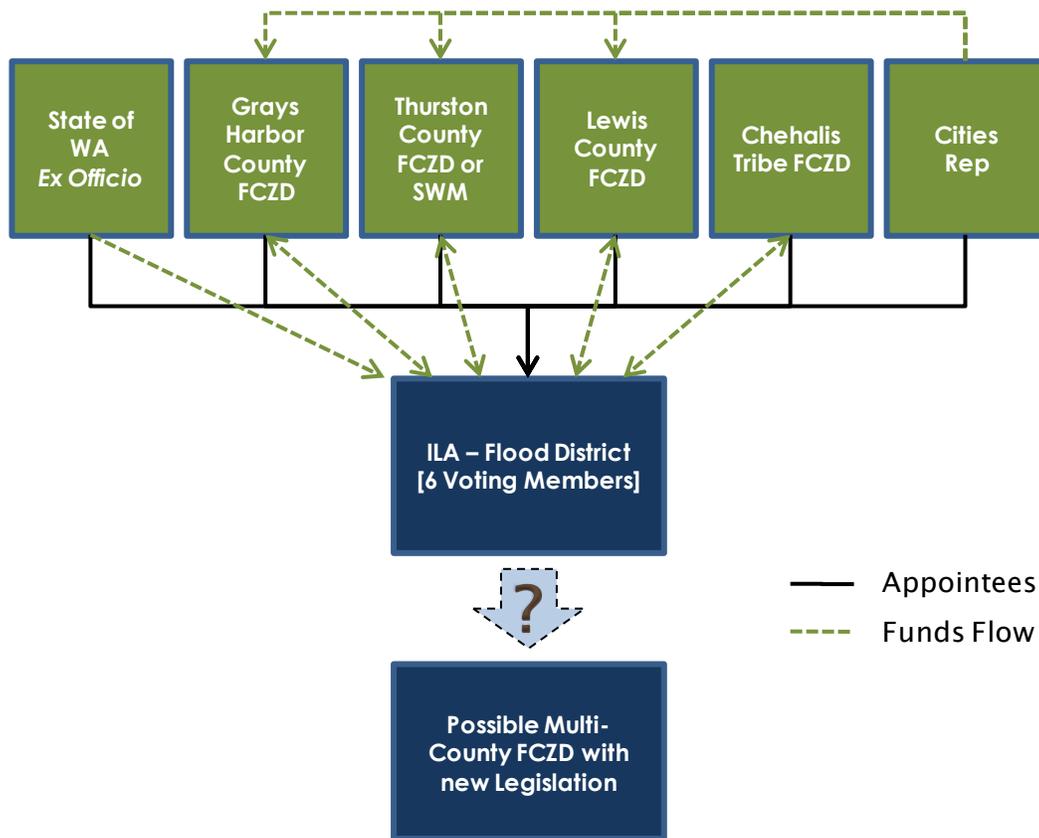
#### Pros and Cons of Elected Board

- ◆ – Requires new precincts
- ◆ +/- Power sharing based on population
- ◆ +/- Independent of counties/cities; potentially more focused
- ◆ + Delegated powers negotiable
- ◆ – Cost of elections
- ◆ + Potentially more opportunity for city representation
- ◆ + Provide public another opportunity for a public vote; direct accountability

The following provisional governance structure began to emerge from the deliberations as shown in **Figure VI.1**:

- ◆ Counties and Chehalis Tribe form FCZDs (or equivalent)
- ◆ Each county and the Chehalis Tribe appoint one member to the ILA-Board by June 2011
- ◆ Cities caucus to appoint an ILA-Board member to initially represent them (could rotate); this was subsequently revised to a city appointment from each of the two WRIAs in the Chehalis River Basin
- ◆ State has *ex officio* membership
- ◆ Total of six voting and one non-voting members
- ◆ With new legislation, municipal members stand for election at a subsequent general election

Figure VI.1 – Provisional Governance Structure



## VI.E. BOARD VOTING INTERVIEW RESULTS

All Flood Authority members preferred Robert’s Rules of Order to the current consensus voting structure. With a smaller Board, supermajorities were mostly deemed unnecessary. A few Flood Authority members desired a supermajority for financial votes. Value of even numbers was recognized as requiring greater consensus. There was recognition that without the new state legislation, all tax votes and potentially all revenue votes would remain with each underlying FCZD, or equivalent.

## VI.F. FLOODPLAIN REGULATIONS INTERVIEW RESULTS

Flood Districts do not have floodplain or land use regulatory authority. While floodplain land use management is not required to be in the ILA, significant interest by both some Flood Authority members, and from the public workshop input, suggest that no integrated flood control strategy would be complete without some provision for consistent floodplain management in the Chehalis River Basin.

Moreover, the adopted Flood Plan for the Chehalis River Basin addressed this need by making 16 recommendations for “baseline” floodplain regulations, to which all the members of the Flood Authority agreed in adopting the Flood Plan; and an additional “ideal” five regulations for greater floodplain protection. These recommendations were based on mitigation of damages to structures in the floodplain, and protection of the floodplain to avoid new development dam, and in Appendix B of the Flood Plan. While the Flood District could not enact these regulations directly, there was interest in the Flood District providing incentives to the jurisdictions within the Chehalis River Basin, both those with members on the Flood Authority and those not, to adopt the “baseline” recommendations for floodplain management consistency.

The interviews of Flood Authority members indicated some desire for consistency of floodplain management. There was recognition that existing development in the floodplain is not changing, but that the focus should be on new development. There was further recognition that urban development in the floodplain is an economic benefit to a jurisdiction. There was interest in acknowledgement in the ILA that those who protect the floodplain should not pay for protection of those who do not. There was recognition that agriculture “lives” with flooding. And finally there was recognition of tidal influence as special case.

The following concept was presented for drafting into the ILA:

- ◆ All jurisdictions adopt consistent baseline floodplain regulations within two to three years
- ◆ Those jurisdictions who go beyond and adopt ideal recommendations receive a financial incentive or bonus when allocating District costs on the theory they are creating less costs for the Flood District
- ◆ Those jurisdictions that do not adopt the baseline regulations pay a premium when allocating District costs on the theory they are creating more costs for the District
- ◆ All jurisdictions within the Boundary review recommended floodplain regulations for potential incorporation by reference into the ILA
- ◆ Determine reasonable time frame for adoption and implementation
- ◆ FCS GROUP to use the Economic Analysis to recommend incentives and premiums

- ◆ Jurisdiction FCZDs would be responsible for implementing the incentives and premiums through their rate structures

The results of the interviews were for FCS GROUP to develop options for including incentives and/or disincentives in the ILA for enactment of the recommended floodplain regulations contained in the adopted Flood Plan.

## Section VII. Interlocal Agreement Development (Phase 2/Task 7)

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Based on direction provided by the Flood Authority in January and subsequent meetings, the FCS GROUP team developed a draft Interlocal Agreement first considered at the March 17, 2011 Flood Authority meeting. A subsequent revised March 31, 2011 draft then developed for comment. **(Appendix I)** In a letter dated February 28, 2011, the Confederated Tribes of the Chehalis Reservation gave notice of their withdrawal from the Flood Authority. **(Appendix J)**

At the Flood Authority meeting of March 31, 2011, some Authority members questioned the need to adopt a new ILA forming a Chehalis River Basin Flood District capable of raising local funding by June 30, 2011. Based on the lack of agreement to a new ILA, planned public workshops were cancelled by direction of the Flood Authority. The direction to not further pursue the Flood District ILA based on RCW 86.15 or as amended was confirmed at the Flood Authority meeting of April 21, 2011, and further development of the ILA – the subject of this report – ceased. As of this writing, the proposed amendments to RCW 86.15 to provide for a multi-jurisdiction FCZD are no longer under consideration by the state legislature.

## Section VIII. Financial Analysis

This chapter includes a summary of known and unknown flood district costs (revenue requirement), an evaluation of cost recovery options provided in RCW 86.15 regarding FCZDs, and a proposed methodology for allocating costs among participating jurisdictions.

### VIII.A. REVENUE REQUIREMENT

The total of operating and capital costs, in addition to other financial obligations of the program, is known as the revenue requirement. The “local shares” of the following known costs are forecasted to be near-term (2012) obligations of the flood district (**Table VIII.1**).

**Table VIII.1 – Forecast of Near-Term (2012) Obligations of the Flood District**

Description	Estimated Cost	External Share	Local Share
Early Warning System	\$?	\$?	\$?
District Staff/Management	\$645,000	? <sup>1</sup>	? <sup>1</sup>
Hydraulic Analysis	\$400,000	? <sup>1</sup>	? <sup>1</sup>
Fish Study	\$275,000	\$275,000	\$0
Twin Cities Project	\$130	\$130	\$0
Basin-wide G.I. Study	\$6	\$3.5	\$2.5
Potential Projects (2010 Plan)	? <sup>4</sup>	? <sup>4</sup>	? <sup>4</sup>

**Notes:**

<sup>1</sup> Request for State funds pending.

<sup>2</sup> Re-appropriation of existing State funds.

<sup>3</sup> Assumes \$1 million already funded; remainder 50/50 split.

<sup>4</sup> No available cost estimates.

Absent State funding, it will be the determination of the District which costs to

fund. In fact, the flood authority has access to funding for at least the first year cost of the basin-wide general investigation (G.I.) study.

The June 2010 Chehalis River Basin Comprehensive Flood Hazard Management Plan provides a number of upcoming needs, without associated costs estimates. Those needs are listed below:

### **Non-Structural Mitigation Measures**

- ◆ Public Information: Education materials – flood proofing guidance
- ◆ Regulation: Improve floodplain regulations, develop conservation easement programs
- ◆ Planning and data collection: Improve hydraulic modeling, study woody debris and stream gravels
- ◆ Reduce damage to existing structures: Develop home elevation and buyout programs
- ◆ Emergency response and preparedness: Develop early warning systems
- ◆ Natural resources protection projects: Protect and restore riparian areas

### **Structural Measures**

- ◆ Floodplain protection
  - Culvert improvements, tributary drainage improvements
- ◆ Bank protection
  - Bank stabilization and protection
- ◆ Conveyance capacity
  - Open channel migration zone

## **VIII.B. COST RECOVERY OPTIONS**

FCZDs are authorized to impose rates (charges), property taxes, and/or local improvement district and other assessments to recover program operating and capital costs. Rates are specifically empowered, though not required, to utilize contribution of runoff as a basis, and must be at least indirectly linked to the amount of service provided to each customer. Rates can be designed to differ among areas within the FCZD. Property taxes are limited to \$0.50 per \$1,000 of assessed valuation (subject to proration), unless approved by the voters, and can be

applied only to taxable property. Taxes must be applied uniformly within a zone. Assessments generally must be directly linked to benefit received by a specific capital improvement, and are available for capital costs only (not operations).

A summary of the characteristics of these options is provided in **Table VIII.2**.

**Table VIII.2 – Cost Recovery Options Summary**

	Legal Constraints	Practical Considerations	Capital	Operations
Taxes	<ul style="list-style-type: none"> <li>◆ Ceiling of \$0.50 / \$1,000 AV</li> <li>◆ May exceed with public vote</li> <li>◆ Must be applied uniformly</li> </ul>	<ul style="list-style-type: none"> <li>◆ Cannot be imposed on tax-exempt property</li> <li>◆ Can be “squeezed” by senior taxing entities</li> </ul>	<ul style="list-style-type: none"> <li>◆ Can be used for capital project(s), including:                             <ul style="list-style-type: none"> <li>- Major flood control</li> <li>- Local/minor flood control</li> <li>- Storm water facilities</li> </ul> </li> <li>◆ Can support revenue bond or voted GO debt</li> </ul>	<ul style="list-style-type: none"> <li>◆ Can be used for operations, including:                             <ul style="list-style-type: none"> <li>- Maintenance</li> <li>- Engineering</li> <li>- Repairs</li> <li>- Public education</li> </ul> </li> </ul>
Charges	<ul style="list-style-type: none"> <li>◆ Those charged:                             <ul style="list-style-type: none"> <li>- Must be contributing to runoff increase</li> <li>- Must be served or benefitted by facilities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>◆ Must be indirect nexus between services provided and amount charged</li> <li>◆ Basis of charging undefined (often impervious surface)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Can be used for capital project(s), including:                             <ul style="list-style-type: none"> <li>- Major flood control</li> <li>- Local/minor flood control</li> <li>- Storm water facilities</li> </ul> </li> <li>◆ Can support revenue bond debt</li> </ul>	<ul style="list-style-type: none"> <li>◆ Can be used for operations, including:                             <ul style="list-style-type: none"> <li>- Maintenance</li> <li>- Engineering</li> <li>- Repairs</li> <li>- Public education</li> </ul> </li> </ul>
Assessments	<ul style="list-style-type: none"> <li>◆ Capital only (not operations)</li> <li>◆ Can be applied only on specially-benefitted properties</li> <li>◆ Assessment limited to AV increase</li> </ul>	<ul style="list-style-type: none"> <li>◆ Administratively cumbersome</li> <li>◆ Difficult to demonstrate special benefit</li> </ul>	<ul style="list-style-type: none"> <li>◆ Can be used for capital project(s) that provide special benefit</li> <li>◆ Can support revenue bond debt</li> </ul>	<ul style="list-style-type: none"> <li>◆ Cannot be used for operations</li> </ul>

Of these options, charges provide the most flexibility in terms of who can be charged. They also bring some constraints because of the nexus requirement that the amount charged at least indirectly relate to the amount of service received. Taxes have no such requirement; however, they are capped at \$0.50/per \$1,000 of

assessed valuation, and that maximum can be compressed by more senior taxing entities, and/or by reductions in taxable assessed value. Lewis, Grays Harbor, and Thurston counties all reported that the full \$0.50 was available throughout each county as of 2010. Assessments, usually associated with local improvement districts, are available only for capital project financing. They may only be applied to specially benefiting properties – as demonstrated by an increase in assessed valuation.

An evaluation of the characteristics of each of the three FCZD funding options against the criteria of equity, revenue sufficiency, reliability, and ease of administration is provided in **Table VIII.3**.

**Table VIII.3 – Evaluation of FCZD Funding Options Characteristics**

Description	Equity	Revenue Sufficiency	Reliability	Ease of Administration
Taxes	☹	☹	☹	●
Charges	☹	●	●	☹
Assessments	☹	☹	●	–

*Notes:*

● Good; ☹ Fair; – Poor

In general, taxes were seen to be fair in terms of equity because they would only apply to taxable property, although the assessed valuation basis is a reasonable measure of service received from flood control. Taxes were judged to be fair in terms of revenue sufficiency and reliability because of the ceiling and the potential for compression. They are comparatively easy to administer.

Rates (charges) are authorized to be applied to those “who are contributing to an increase in surface water runoff”, not the most applicable basis of charging for flood control, hence the rating of fair for equity. It is significant, however, that they can be set to apply area-specifically to match cost or service level differences by geographic area. They do, however, provide a stable stream of revenue, and can be set and adjusted on an ongoing basis to provide revenue sufficient to meet Flood District needs. They are reasonably easy to administer, but require ongoing maintenance of the billing database.

Assessments are limited in their applicability only to capital costs, and the requirement that properties assessed demonstrate special benefit from the improvement. They are comparatively cumbersome to administer.

It is likely that each participating jurisdiction will choose its own approach to recovering the costs allocated to it as part of the Flood District. Should a common approach be adopted or desired, our preliminary recommendation is that floodplain-related costs be recovered in ongoing service charges to developed property. Remaining basin costs would be recovered in a property tax.

### VIII.C. PROPOSED ALLOCATION METHODOLOGY

It is assumed that the allocation of costs or portions of costs providing disproportionate benefit to specific areas would be negotiated based on a number of factors. The proposed allocation methodology is intended to apply to those expenses identified as providing proportionate benefits to all areas within the Chehalis River Basin. The methodology is predicated on the principle that the primary beneficiaries of flood control are the residents and businesses located in the floodplain. The allocation is a several-step process, intended in part to identify costs associated with floodplain development and its direct and indirect benefits.

The first step is an allocation between floodplain-related costs and contributing area (outside the floodplain and inside the Flood Authority boundary) costs. (Together, the floodplain and the contributing area make up the total Chehalis River Basin to the extent it is included in the Flood Authority boundary.) The next steps involve the allocation of costs to individual Members. The following information (2010) is used in the initial calculation (**Figure VIII.1**):

**Figure VIII.1 – Initial Calculation Information**

	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
Floodplain Area Direct Economic Value Added p/Day <sup>[1]</sup>	[A] \$ 1,950,898	[B] \$ 67,549	[C] \$ 2,036,831	[D] \$ 128,469	[E] \$ 4,183,747
Floodplain Area Total (Dir. & Indir.) Benefit in Basin <sup>[2]</sup>	[F] \$ 2,844,161	[G] \$ 92,879	[H] \$ 2,761,940	[I] \$ 174,781	[J] \$ 5,873,761
Floodplain Area Total Assessed Value <sup>[3]</sup>	[K] \$2,854,000,000	[L] \$ 550,619,000	[M] \$ 957,000,000	[N] \$ 9,473,000	[O] \$4,371,092,000

**NOTES:**

<sup>1</sup> Floodplain area direct economic value added per day is an estimate of net economic output, or gross domestic product, in the 100-year floodplain from economic activity located in the 100-year floodplain.

<sup>2</sup> Floodplain area total (direct and indirect) benefit in the basin is an estimate of net economic output in the Chehalis River Basin from economic activity located in the 100-year floodplain.

<sup>3</sup> Floodplain area total assessed value is the sum of taxable and non-taxable assessed value of land and improvements located in the 100-year floodplain.

It is expected that this information will be updated periodically using the IMPLAN model for economic inputs and County Assessor and GIS data for assessed valuation inputs.

**Step One: Allocation of Cost between the Floodplain and the Contributing Area**

The budget item cost multiplied by Total (Basin-wide) Floodplain Area Direct Economic Value Added per Day as a percentage of Total Floodplain Area Direct and Indirect Basin-wide Benefit per Day is equal to the portion of the budget item cost that is associated with floodplain development. The remainder is equal to the portion of budget item cost associated with the contributing area. (Figure VIII.2)

**Figure VIII.2 – Allocation of Cost between the Floodplain and the Contributing Area**

% Applied to Estimate Floodplain Cost	[E] / [J] 71.2%
% Applied to Estimate Contributing Area Cost	1 - [E] / [J] 28.8%

**Step Two: Allocation of Floodplain Costs to Members**

The budget item cost portion associated with the floodplain is separated into two equal halves.

The first half multiplied by the total (taxable plus non-taxable) assessed value of land and improvements in the floodplain for each member as a percentage of the total (basin-wide) assessed value of land and improvements in the floodplain (the AV Factor) is equal to the first component of budget item cost to be recovered by each Member. (Figure VIII.3)

**Figure VIII.3 – Allocation of Floodplain Costs to Members**

	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
AV Factor	[K] / [O] 65.3%	[L] / [O] 12.6%	[M] / [O] 21.9%	[N] / [O] 0.2%	100%

The second half multiplied by the Floodplain Area Direct Economic Value Added per Day for each Member as a percentage of the Total Floodplain Area Direct and Indirect Benefit per Day for each Member (the Floodplain Economic Factor) is equal to the second component of budget item cost to be recovered by each Member. (Figure VIII.4)

**Figure VIII.4 – Floodplain Costs Recovered by Each Member**

	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
Floodplain Economic Factor	[A] / [E] 46.6%	[B] / [E] 1.6%	[C] / [E] 48.7%	[D] / [E] 3.1%	100%

### Step Three: Allocation of Contributing Area Costs to Members

The budget item cost portion associated with the contributing area multiplied by the Total Floodplain Area Direct and Indirect Benefit per Day for each Member as a percentage of the Total Floodplain Area Direct and Indirect Basin-wide Benefit per Day (the Total Economic Factor) is equal to the third component of budget item cost to be recovered by each Member. (Figure VIII.5)

**Figure VIII.5 – Allocation of Contributing Area Costs to Members**

	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
Total Economic Factor	[F] / [J] 48.4%	[G] / [J] 1.6%	[H] / [J] 47.0%	[I] / [J] 3.0%	100%

### Step Four: Determination of Total Allocated Cost by Member

The weighted sum of the three components of budget item cost for each Member is equal to the budget item allocation for each Member. (Figure VIII.6)

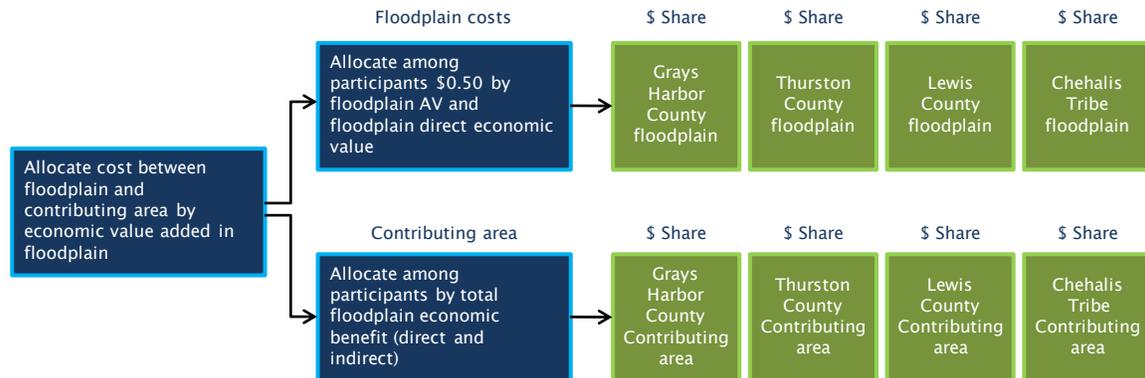
**Figure VIII.6 – Determination of Total Allocated Cost by Member**

	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
Total Cost Allocation Factor	53.8%	5.5%	38.7%	2.0%	100%

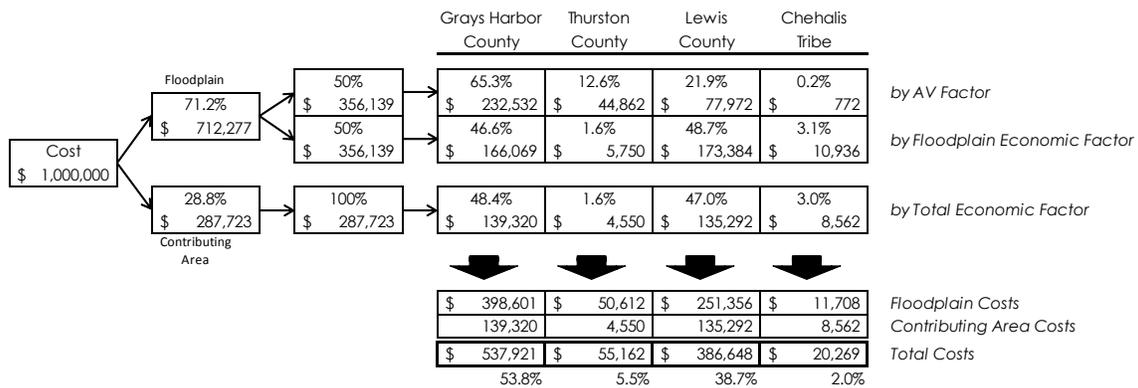
These percentages can be derived using the following formula: [% Applied to Estimate Floodplain Cost (from Step One) X 50% X AV Factor per Member (from Step Two)] + [% Applied to Estimate Floodplain Cost (from Step One) X 50% X Floodplain Economic Factor per Member (from Step Two)] + [% Applied to Estimate Contributing Area Cost (from Step One) X Total Economic Factor per Member (from Step Three)].

The Figure VIII.7 illustrates the process to be used. The subsequent graphic (Figure VIII.8) shows the resulting cost shares for an example cost of \$1 million.

**Figure VIII.7 – Process for Allocating Costs**



**Figure VIII.8 – Resulting Cost Shares Based on Example Cost of \$1 Million**



Although the end result of the methodology is the total to be contributed by each participating jurisdiction, the approach also provided the information needed to recover costs separately in a tax to the contributing area, and a service charge to developed property in the floodplain.

### VIII.D. FLOODPLAIN DEVELOPMENT DISINCENTIVE

An appropriate disincentive to developing in the floodplain would perhaps be to offset the direct economic benefit of that new development in the floodplain with a commensurate cost. So, if we take the annual direct value added from economic activity in the floodplain (\$1,087,774,220) and divide it by 365 days and divide that by total developed area (16,516 ERUs), we get \$178.31 per ERU per day. We've assume one ERU is equal to 4,000 square feet of developed area, so that would be \$1,941.75 per developed acre PER DAY. The annual direct value added from economic activity in the floodplain can be derived by multiplying the per day number from our table (\$4,183,747) by 260 days (that's the assumed number of working days per year).

## Section IX. Bibliography

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## Section X. Interviews

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Jill Kangas, Planner, Emergency Management Department (December 16, 2010).

Chuck Wallace, Deputy Director, Emergency Management Department, Grays Harbor County (December 16, 2010).

Richard Krikava, FEMA Region X (December 16 and December 21, 2010).

John Donahue, Centralia/Chehalis Flood Damage Reduction Project Manager, Washington Department of Transportation (December 7, 2010).

Glen Connelly, Environmental Programs Specialist, Chehalis Tribes (January 21, 2011).

## Appendix A – Chehalis River Basin Flood Authority 2008 Interlocal Agreement

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## CHEHALIS RIVER BASIN FLOOD AUTHORITY

### AN INTERLOCAL AGREEMENT AMONG THE COMMUNITIES OF THE CHEHALIS RIVER BASIN FOR STUDY, ANALYSIS, AND IMPLEMENTATION OF FLOOD CONTROL PROJECTS TO PROTECT THE CHEHALIS RIVER BASIN

- A. WHEREAS, the Chehalis River Basin in Southwestern Washington State has been experiencing a chronic flooding problem from the Chehalis River over the past several years; and
- B. WHEREAS, many Chehalis River Basin communities in Southwestern Washington, natural resources, commercial industries, private property, and human life are being threatened with each flood event; and
- C. WHEREAS, the basin communities are interested in finding cost-effective, long-term and environmentally responsible methods to protect their resources from flood events; and
- D. WHEREAS, in December 2007, a series of storms caused flood damage in southwest Washington. On December 8<sup>th</sup>, the President declared a major disaster in the counties of Grays Harbor, Kitsap, Lewis, Mason, Pacific and Thurston. Federal funding assistance was made available following this declaration.
- E. WHEREAS, the Legislature in the 2008 legislative session through House Bills # 3374 and 3375 appropriated \$50 million in state general obligation bonds to the Office of Financial Management (OFM), working with and through other state agencies, the Chehalis Basin Flood Control Authority, and other local governments, to participate in flood hazard mitigation projects for the Chehalis River basin.
- F. WHEREAS, HB 3374 and 3375 restricts the allotment of construction funds until an agreement between nonfederal project partners has been signed and submitted to the Governor and the Legislature delineating responsibility for the ongoing operations and maintenance of the projects.
- G. WHEREAS, up to \$2.5 million of the appropriation is for the Chehalis Basin Flood Control Authority or other authorized local government groups to develop or participate in the development of flood hazard mitigation measures throughout the basin.

- H. WHEREAS, the OFM is directed to participate as the non-federal sponsor of United States Army Corps of Engineers flood hazard mitigation projects for the Chehalis River basin area for projects that are mutually agreed to between the federal government, the OFM, and the Chehalis Basin Flood Control Authority, or other authorized local government group. The OFM must prepare the necessary agreements to ensure an active partnership with federal and state agencies, local governments, the Chehalis River Flood Control Authority, and others as needed.
- I. WHEREAS, Construction funds may not be allotted for flood hazard mitigation projects until a project agreement between non-federal project partners has been signed and submitted to the Governor and the Legislature delineating responsibility for the ongoing operations and maintenance of the projects. The agreement must also include a plan to meet applicable flood plain management requirements and to address any applicable federal requirements for managing the effect of future land use developments on the extent and severity of flooding.
- J. WHEREAS, authorization has been approved by Congress in the water Resources Development Act of 2007 (WRDA) (U S House Resolution #1495) to fund the "project for flood damage reductions, Centralia, Chehalis River, Lewis County, Washington: Report of the Chief Engineers dated September 27, 2004."
- K. WHEREAS, pursuant to HB 3375, the OFM shall participate as the nonfederal sponsor of the Corps of Engineers flood hazard mitigation projects for the Chehalis river basin area, including the project authorized by the WRDA, if such projects are mutually agreed to between the federal government, the OFM and the Chehalis basin flood control authority or other authorized local government group. The OFM must prepare the necessary agreements to ensure an active partnership with federal and state agencies, local governments, the Chehalis River Flood Control Authority, and others as needed.

NOW, THEREFORE, we hereby create the Chehalis River Basin Flood Authority and the members will be the municipal corporations of Lewis County, Grays Harbor County, Thurston County, the City of Centralia, the City of Chehalis, and Town of Pe Ell, the City of Aberdeen, the City of Montesano, Town of Bucoda and the Confederated Tribes of the Chehalis Reservation ("Basin Governments"), who hereby enter into this Interlocal Agreement ("Agreement") pursuant to RCW 39.34.030 and mutually promise to agree to the terms and conditions described herein.

## 1.0 PURPOSE

The purpose of this Agreement is to be the designated Chehalis Basin Flood Control Authority identified in HB 3375 to receive the 2.5 million dollars to develop and participate in the development of flood hazard mitigation measures throughout the basin, and provide a formal and organized process to ensure:

- 1.1 That flood control projects are identified and implemented that address the flood problems in the basin.
- 1.2 That good public policy supports environmentally sensitive responses to protect communities and their residents from flooding, if the responses provide benefits which exceed costs, including costs associated with a no action response.
- 1.3 That state and federal funding sources are well-informed of Basin Government options and needs.
- 1.4 That the design for basin flood control projects incorporate options, features and betterments that may benefit the basin communities and the Basin Governments.
- 1.5 That the Chehalis River Basin Flood Authority will oversee moving current and future Chehalis River Basin Flood reduction projects forward until such time as a Flood Control District is formed and adopted by the stakeholders' legislative authorities.

## 2.0 GOALS

The Basin Governments shall work together throughout the term of this Agreement to achieve the following specific goals:

- 2.1 To create a Basin Flood Control District as soon as is practicable.
- 2.2 To inform state and federal funding sources of project options and the needs of the basin communities.
- 2.3 To work with the State of Washington to develop appropriate policy for a basin-wide flood control project.
- 2.4 To seek adequate funding for the Basin Governments to identify, study and permit projects for localized problems.

- 2.5 To disseminate information to residents about options and alternatives.
- 2.6 To coordinate flood control activities, actions and responses.

### 3.0 LEAD AGENCY

For the purposes of this Agreement, Lewis County shall act as Lead Agency. The Lead Agency shall be responsible for approved projects and authorized to perform the following tasks:

- 3.1 Negotiate and execute agreements with state agencies for grant funds.
- 3.2 Receive and disburse funds from the state and federal agencies, the counties and the basin communities.
- 3.3 In the event any work must be performed by or on behalf of the counties or the basin communities pursuant to this Agreement, solicit statements of qualifications, negotiate scope of work, and execute contracts to perform the work by or on behalf of the counties or the basin governments pursuant to this agreement. The Lead Agency shall not obligate any of the Basin Governments to any financial responsibilities without prior written approval and agreement from the appropriate Basin Governments.
- 3.4 Prepare and maintain proper records for accounting and administration.
- 3.5 Arrange and facilitate regular meetings of the basin governments.
- 3.6 Provide legal support as necessary.

The Lead Agency shall report regularly to the parties to this Agreement and shall provide them with a full accounting on the receipt and expenditure of funds that may be provided, pursuant to this Agreement.

### 4.0 MEMBERSHIP AND REPRESENTATION

Each of the Basin Governments shall designate in writing to the Lead Agency one official representative. Regardless of the number of official representatives designated in writing to the Lead Agency, each Basin Government shall be

entitled to one vote on all matters requiring group action or direction to the Lead Agency. In addition, the Counties shall act as the coordinators and representatives of the basin communities within their respective jurisdictions which are not otherwise represented.

The Lead Agency will arrange and facilitate regular meetings of the Basin Governments, not less than once every three months, to discuss the status, progress, funding and schedule of the basin flood control projects, and to consider the advancement towards the goals stated herein. Designated representatives of Basin Governments shall use best efforts to attend the meetings.

## 5.0 VOTING

Each represented entity shall be entitled to cast one (1) vote. Measures proposed to the represented entities shall seek consensus as a goal. In the event a consensus cannot be reached, then a super majority vote of sixty (60) percent of the voting members shall decide the issue, provided that any amendments to this agreement, must be approved by unanimous vote.

## 6.0 FUNDING

It is anticipated that funding sources for creating a basin flood control district, and for the planning, optimization, preliminary engineering and permitting of basin flood control projects will be different from the funding sources for construction. A strategy will be developed by the Basin Governments for continued funding for design, engineering and permitting, and a different strategy will be developed by the Basin Governments for funding construction.

The activities of the Basin Governments shall be funded from the following sources:

- 6.1 Funds made available from state allocated sources.
- 6.2 Funds made available from federal sources.
- 6.3 Funds from the Basin Governments, but only pursuant to other agreements, if made.

Funds from the Basin Governments may be required, if necessary for matching or providing a local share for other funding sources that become available, or if additional funds are required in excess of state and federal funding. Since the benefits to be derived from the basin flood control project and its features vary among the Basin Governments, the Basin Governments will contribute to the



needs of the project in varying amounts, based upon their respective benefits and ability to pay. Any funds required from the Basin Governments to cover funding requirements or to cover costs for projects developed as a result of research and development, pursuant to this Agreement, will be shared as agreed upon by the Basin Governments as set forth in future Interlocal Agreements. Nothing in this Agreement shall obligate, or be construed to obligate, any of the Basin Governments to enter into future Interlocal Agreements.

#### 7.0 TERM OF AGREEMENT

Each of the Basin Governments may opt out of this Agreement by written notification to the Lead Agency with 90 days prior notice, provided that no joint debt has been incurred by the Basin Governments.

#### 8.0 MODIFICATION

This Agreement may be modified or amended only by written amendments signed by each of the parties to this Agreement.

#### 9.0 PRIOR AGREEMENTS

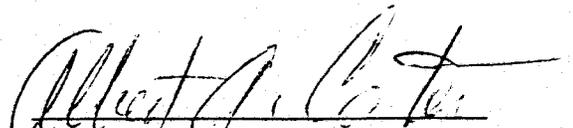
This document embodies the entire agreement between and among the parties. There are no agreements, promises, terms, conditions or obligations other than those contained herein. This Agreement shall supersede all previous communications, representations, agreements, written or oral, among the parties relating to the subject matter contained herein.

IN WITNESS HEREOF, the undersigned have executed original copies of this Agreement on the dates shown below.

**LEWIS COUNTY**

**GRAYS HARBOR COUNTY**

\_\_\_\_\_  
Ron Averill, Chairman (date)

  
Albert A. Carter, Chairman (date)

**THURSTON COUNTY**

**CITY OF CENTRALIA**

\_\_\_\_\_  
Diane Oberquell, Chairman (date)

\_\_\_\_\_  
J D Fouts, City Manager (date)

**CITY OF CHEHALIS**

**TOWN OF PE ELL**

\_\_\_\_\_  
Merlin MacReynold, City Mgr.(date)

\_\_\_\_\_  
Spencer Nichols, Mayor (date)

**CITY OF ABERDEEN**

**CITY OF MONTESANO**

\_\_\_\_\_  
Bill Simpson, Mayor (date)

\_\_\_\_\_  
Ron Schillinger, Mayor (date)

**Confederated Tribes of the Chehalis Reservation**

  
\_\_\_\_\_  
David Burnett, Chairman (date)

**THURSTON COUNTY**

*Diane Oberquell 4/28/08*  
Diane Oberquell, Chairman (date)

**CITY OF CENTRALIA**

\_\_\_\_\_  
J D Fouts, City Manager (date)

**CITY OF CHEHALIS**

\_\_\_\_\_  
Merlin MacReynold, City Mgr.(date)

**TOWN OF PE ELL**

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Spencer Nichols, Mayor (date)

**CITY OF ABERDEEN**

\_\_\_\_\_  
Bill Simpson, Mayor (date)

**CITY OF MONTESANO**

\_\_\_\_\_  
Ron Schillinger, Mayor (date)

**CONFEDERATED TRIBES OF THE CHEHALIS RESERVATION**

\_\_\_\_\_  
David Burnett, Chairman (date)

**TOWN OF BUCODA**

*Kathy Martin*  
Kathy Martin, Mayor (date)

**THURSTON COUNTY**

\_\_\_\_\_  
Diane Oberquell, Chairman (date)

**CITY OF CENTRALIA**

*J. D. Fouts* 4-23-08  
\_\_\_\_\_  
J D Fouts, City Manager (date)

**CITY OF CHEHALIS**

\_\_\_\_\_  
Merlin MacReynold, City Mgr.(date)

**TOWN OF PE ELL**

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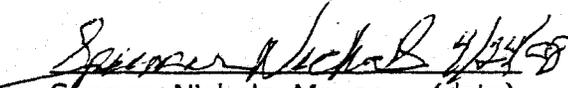
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Ron Schillinger, Mayor (date)

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David Burnett, Chairman (date)

**TOWN OF BUCODA**

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Kathy Martin, Mayor (date)

**THURSTON COUNTY**

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Diane Oberquell, Chairman (date)

**CITY OF CENTRALIA**

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J D Fouts, City Manager (date)

**CITY OF CHEHALIS**

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Merlin MacReynold, City Mgr.(date)

**TOWN OF PE ELL**

\_\_\_\_\_  
Spencer Nichols, Mayor (date)

**CITY OF ABERDEEN**

Bill Simpson 4/30/08  
Bill Simpson, Mayor (date)

**CITY OF MONTESANO**

Ron Schillinger 4/25/2008  
Ron Schillinger, Mayor (date)

**Attest:**

Kathryn Skoolrod  
Kathryn Skoolrod, Finance Director

**CONFEDERATED TRIBES OF THE CHEHALIS RESERVATION**

\_\_\_\_\_  
David Burnett, Chairman (date)

**TOWN OF BUCODA**

\_\_\_\_\_  
Kathy Martin, Mayor (date)

## Appendix B – Chehalis River Basin Authority Meeting Presentation Packets

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CHEHALIS  
RIVER BASIN  

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FLOOD AUTHORITY

# District Type and Issues Identification Workshop

Chehalis River Basin Flood District  
Formation

June 24, 2010

# Meeting Goals

- Formally select the entity for the flood district
- Present district formation schedule
- Define and refine key policy issues
- Discuss next steps

# Flood Control District or Flood Control Zone District

- Chehalis River Basin Draft Comprehensive Flood Hazard Management Plan analyzed 7 funding structures
- Recommended either a FCD or a FCZD be selected by the Flood Authority
- Main purpose of Workshop: obtain provisional selection of one of these options
- Final decision made in the Fall by BCCs

# Advantages & Disadvantages of a Flood Control District

- + Can be formed as a multi-county district
- + Bond issuance authority is clear
- – Formation election required
- – No taxing authority
- – Authority to charge only for limited services
- – Authority to issue only revenue bonds
- – County approval for assessments/bonds
- – Board must be elected

# Advantages & Disadvantages of Flood Control Zone Districts

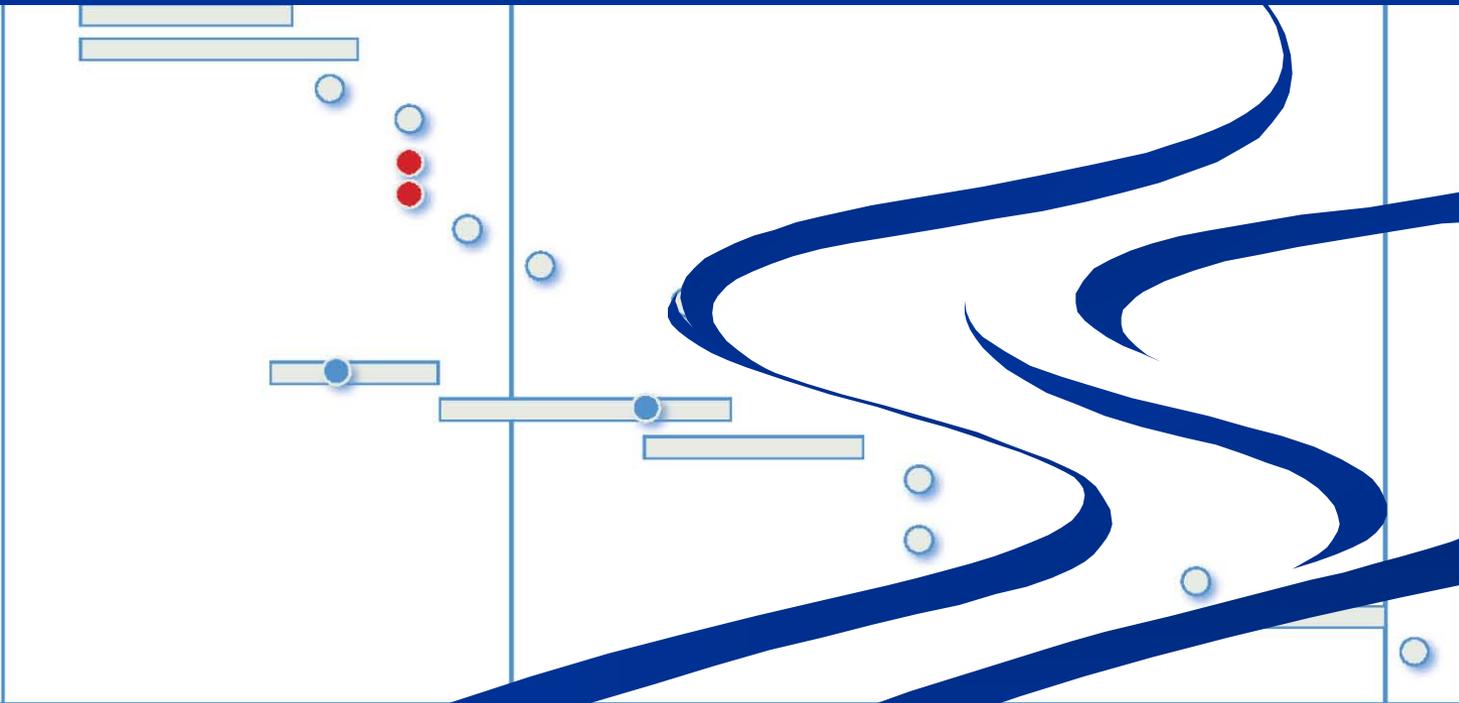
- + Has tax/fee/assessment authority
- + Has broad authority to charge for services
- + No county approval for assessments/bonds
- + No formation election required
- + Board elected, or of county commissioners
- – Multi-county district requires statutory amendment or interlocal agreements
- – Issuance of tax-backed bonds without a vote may require statutory amendment

FCD or FCZD?

PROVISIONAL  
DECISION

# Chehalis FCZD Formation Schedule

- Determine Provisional Revenue Requirement
  - Develop Rate/Tax Alternatives
  - Workshop with FA
  - BCC Adopt Boundaries
  - **Adopt FHMP**
  - **Submit FHMP to DOE**
  - BCC Resolution of Intent to form FCZD
  - Submit to BRB
  - Complete BRB Process
  - Public Involvement
    - Support FA & BCC Decision Process
    - Support BRB Process
    - Support District Creation Vote(s)
  - Establishment of FCZD
- Phase 3**
- Establish Formal Advisory Committee
  - Advisory Committee Rate Recommendation
  - 2012 Rate Set
  - First Bills Go Out



# FCZD Policy Issues [Coming Attractions]

- Begin today with major Policy Definitions
- Decisions by Fall, 2010
- Governance
- Boundary(s)
- Regional vs Local Services
- Funding method(s)
- What to fund
- Others?

# Policy: FCZD Governance

- Will state legislation be sought to provide for a multi-County FCZD option?
- Or
- Will three FCZDs be formed and coordinate their activities through a joint board or public nonprofit corporation under an interlocal agreement?

# Policy: FCZD Governance

- Do the County Commissioners wish to comprise the FCZD Board(s) or do they wish to have a separately elected body for each FCZD to perform this function?
- What will be the role of the Chehalis Tribe, and the State, in the governance structure of the FCZD and how will this be effectuated?
- What will be the boundary(s) of the FCZD?

# Policy: Regional and Local Flood Control Programs Reconciliation

- Will any existing FCZD be dissolved in order to create a comprehensive Chehalis Basin FCZD?
- Alternatively, will any existing FCZD be retained outside the Chehalis FCZD boundary and instead link them through interlocal agreement?

# Policy: Regional and Local Flood Control Programs Reconciliation

- What will be the definition of regional capital, operations, maintenance, and/or administrative services to be provided by the Chehalis FCZD vs. local flood control responsibilities for similar services?

# Policy: Regional and Local Flood Control Programs Reconciliation

- Will the Chehalis FCZD provide any local flood control services, and if so what? How would they be funded?
- Would the FCZD directly impose fees/charges/assessments, or rely on revenues being collected by the local flood control entities?

# Policy: Regional and Local Flood Control Programs Reconciliation

- Will a jurisdiction that has a local stormwater utility be allowed to expand its responsibilities to include regional services and collect associated revenues from their rate payers to contribute to the Chehalis FCZD in lieu of being part of the Chehalis FCZD?

# Policy: Regional and Local Flood Control Programs Reconciliation

- Will the Chehalis FCZD allow for direct payments or “in-kind services” as financial participation, in lieu of paying charges by the FCZD, e.g. from the State or the Chehalis Tribe or others?

# Policy: Regional and Local Flood Control Programs Reconciliation

- Will the Chehalis FCZD be primarily a funder of regional programs provided at the local level through contracts with the FCZD (e.g. with counties, cities, or others); alternatively, will the FCZD provide regional services through its own organization and its contractors?

# Policy: Regional and Local Flood Control Programs Reconciliation

- If funds were borrowed for Basin-wide flood control facilities, would the borrowing be carried out by the FCZD or by the respective local flood control entities?

# Policy: Cost Recovery Options

## Rates v. Taxes v. Assessments

- What is the best combination of funding sources to use to recover Chehalis River Basin FCZD program costs in terms of equity, revenue sufficiency, reliability, ease of administration, and other factors?

# Policy: Cost Recovery Options

- Does it make sense to recover some contribution of runoff related costs in a rate and other flood control benefit related costs in a tax and/or assessment?
- If a rate is used, how would it be reconciled with existing local drainage utility rates?

# Policy: Cost Recovery Options

## Uniform v. Area-Specific Funding

- Does it make sense to recover costs uniformly within the District by applying the same rate and/or tax throughout?
- If a uniform approach is preferred, should revenue generated in one area of the Basin be in any way limited as far as where in the Basin it can be spent? If so, how should it be limited?

# Policy: Cost Recovery Options

- Does it make sense to charge different rates, taxes, or assessments in different parts of the Basin depending on their specific needs? If so,
  - How many different areas and associated rates, taxes, or assessments are appropriate?
  - Which types of costs should be allocated among areas, e.g., operations and maintenance, capital?
  - How should those costs be allocated among areas?
  - What are the offsetting costs of implementation and ongoing administration?

# Policy: Fiscal Policies

- What is an appropriate working capital balance to maintain to provide a cushion against fluctuating maintenance and operations expenditures and perhaps revenues, taking into account the size of the program and other factors?

# Policy: Fiscal Policies

- What is an appropriate capital funding strategy?  
When should debt be issued and by whom?  
When is a public vote necessary to issue debt?
- How should capital repair and replacement be funded over time?
- What is an appropriate level of capital contingency funding to maintain for emergency needs?

# Policy: Fiscal Policies

- If revenue bonds are utilized, what is a prudent coverage ratio to target, that will maximize fiscal health and position the District(s) well if more debt is needed in the future?
- How can the FCZD(s) protect their property tax revenues, if used, given the fact that the \$.50 per \$1,000 tax rate authorization can be consumed by other, more senior, entities.

# Chehalis FCZD Formation

- Issues?
- Concerns?
- Questions?

# Chehalis FCZD Formation

- Next Steps
- Date, Time & Location of Next Meeting
- Topics/Agenda
- Adjournment

CHEHALIS  
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FLOOD AUTHORITY

# District Type and Issues Identification

Chehalis River Basin Flood Authority  
Entity Formation

July 15, 2010

# Meeting Goals

- Select the approach for the initial formation of a flood entity
- Present entity formation schedule
- Define and refine key issues
- Discuss next steps

# Flood Control District or Flood Control Zone District

- Chehalis River Basin Draft Comprehensive Flood Hazard Management Plan analyzed 7 organizational & funding structures
- Recommended either a FCD or a FCZD be selected by the Flood Authority
- Final decision will be made in the fall of 2011 by BCCs

# Flood Entity Formation

## 6/24/2010 Workshop Summary

- Flood Authority heard & discussed the pros & cons of FCDs and FCZDs
- Flood Authority heard overview of breadth of policy choices available for either
- Flood Authority provided feedback on the desirability of phasing the governance structure and financing
- Consultant agreed to provide a phasing recommendation at the 7/15 meeting

# Flood Entity Recommendation

- Recommend a basin-wide FCZD as ultimate mechanism
- Recommend interim use of FCZD's or Drainage Utilities within each county as component members of a basin-wide interlocal entity

# Flood Entity Recommendation

- Can form interim entity through Interlocal Agreement without need for state legislation
- Much more flexibility
- Can meet the state deadline in 2011
- Can do in phases
- Can improve relevant statutes through state legislation

# Flood Entity Recommendation: Governance

- Create initial Entity as a Watershed Management Partnership (WMP) through Interlocal
- Parties include existing Lewis FCZD; new Grays Harbor FCZD; Thurston Drainage Utility or new Thurston FCZD
- Interlocal determines governance structure
- Additional Parties could include the Chehalis Tribe and the State

# Flood Entity Recommendation: Budget, Financing & Boundaries

- Initial Regional Program Budget to include shared costs per ESA Adolfson Memo (date)
- Interlocal to determine allocation of costs
- Revenues raised & contributed by each Party
- No bonding until major capital program approved
- Initial boundary: Thurston, Lewis and Grays Harbor Counties within the Chehalis Basin

# Flood Entity Recommendation: Options Retained

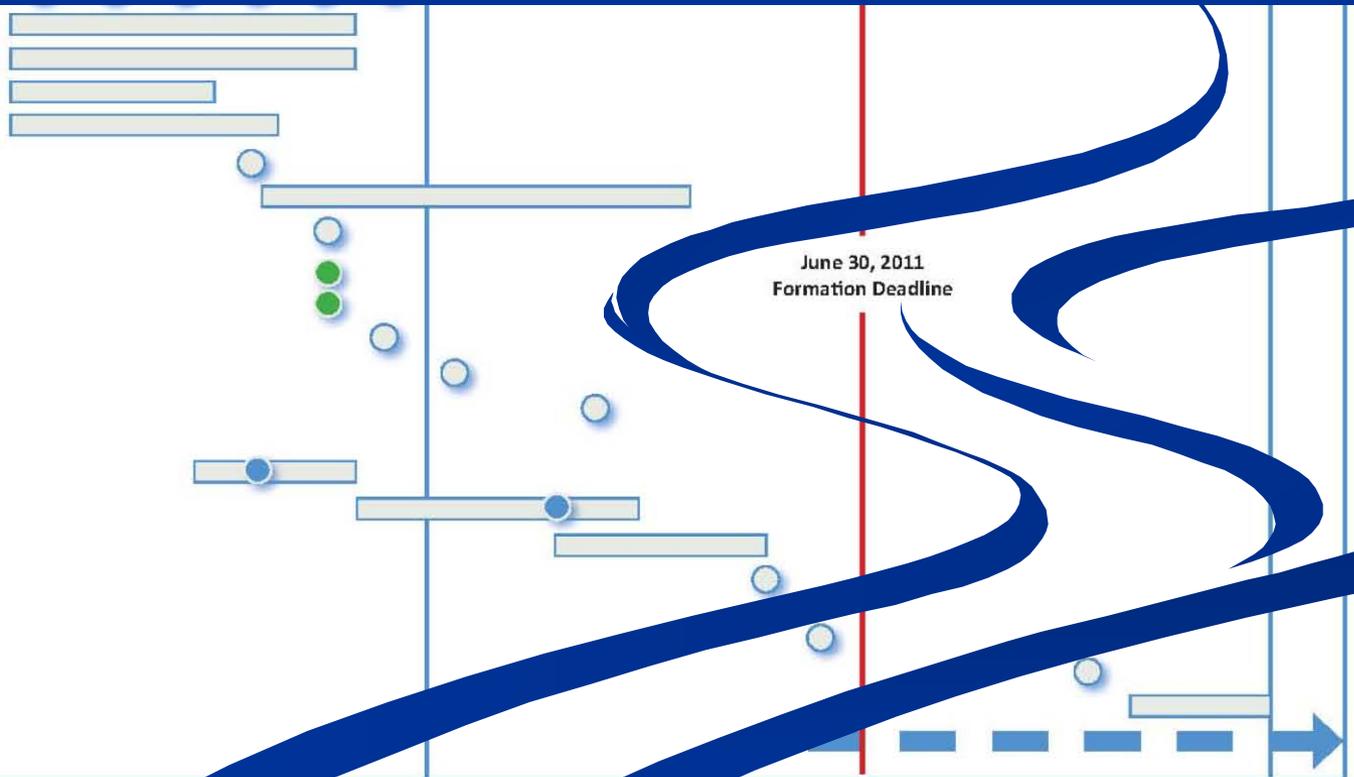
- Can request adjustments to state law for multi-county FCZD governance structure to replace Interlocal Agreement
- Retains future public vote options: (1) future separately elected board, (2) bonding the capital program
- Retains capacity for future subzones within boundary
- Retains ability to impose tax/assessments/rates

# Flood Authority Provisional Decision

- Should an interim entity be formed by interlocal agreement to meet the June 2011 deadline?
- Should a Watershed Management Partnership be the focus as the interim entity?
- Should options be retained for a multi-county Flood District in future?

# Chehalis Entity Formation Schedule

- Develop Boundary Options
  - Perform Economic Benefit Analysis
  - Determine Provisional Revenue Requirement
  - Develop Rate/Tax Alternatives
  - Workshop with FA
  - Negotiate Interlocal Agreement
  - BCCs Adopt Boundaries
  - **Adopt FHMP \***
  - **Submit FHMP to DOE \***
  - BCC Resolutions of Intent to form FCZDs
  - Submit to BRBs
  - Complete BRB Process
  - Public Involvement
    - Support FA & BCC Decision Process
    - Support BRB Process
    - Support Entity Creation Vote(s)
  - Establishment of Entity by Interlocal Agreement
- Phase 3**
- Establish Advisory Committee
  - Advisory Committee Rate Recommendation
  - 2012 Rates Set
  - Decisions on Policy Options and Future Approach



# Chehalis River Basin Entity Formation

- Issues?
- Concerns?
- Questions?

# Chehalis River Basin Entity Formation

- Next Steps
- Date, Time & Location of Next Meeting
- Topics/Agenda
- Adjournment

CHEHALIS  
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FLOOD AUTHORITY

# Flood Entity Governance

Chehalis River Basin Flood District  
Formation

August 19, 2010

# Flood Authority Provisional Decisions (July 15, 2010)

- Should an interim entity be formed by interlocal agreement to meet the June 2011 deadline? YES
- Should a Watershed Management Partnership be the focus as the interim entity? YES
- Should options be retained for a multi-county Flood District in future? YES

# Steps to form Chehalis Watershed Management Partnership

- Form/Determine Members
  - Lewis County FCZD subzone
  - Grays Harbor County new FCZD for Chehalis Basin
  - Thurston County new FCZD for Chehalis basin or expand existing Drainage Utility purpose
  - Chehalis Tribe?
  - State of Washington?

# County FCZD Formation

- Decision of *intent* to form FCZD
- Determine boundaries; subzones
- Eliminate overlapping flood zones
- Submit to Boundary Review Board
- Decide on Advisory Committees
- Establish FCZD with BoCC as initial Board of Supervisors (later may be elected)
- Determine tax/charge/assessments as means to raise revenues

# Watershed Management Partnership (WMP) Formation

- Members: BoCCs, State, Chehalis Tribe
- Voting Structure
- Roles
- Advisory Committee

# WMP Members Recommendation

- 3 members of each county FCZD
- 1 member from the Chehalis Tribe
- 1 member from the State
- Total of 11 members
- Strong Advisory Committee to include cities/other stakeholders

# Role of WMP

- Develop Flood Hazard Mitigation Plan/Updates
- Develop projects & sponsorships with Army Corps
- Undertake or contract with others to do projects/programs
- Determine funding level & allocations to members

# Role of Members

- County FCZDs to determine how to fund allocations (tax/charge/assessment)
- State to decide how to provide funding
- Chehalis Tribe to decide how to provide funding
- Each member is possible implementer of Flood Entity programs through contracts with, or inkind services for, WMP

# WMP Voting Structure

## Recommendation

- Supermajority:
  - Cost & Revenue Allocations to County FCZDsState & Chehalis Tribe not voting on County FCZD allocations
- Simple Majority:
  - WMP Work Plans, Budgets & Bonding
  - Project Authorizations
  - Army Corps Sponsorships
  - Update to Flood Hazard Mitigation Plan
  - Contracts with members/agencies to perform workState & Chehalis Tribe voting

# Advisory Committee Recommendation

- Elected officials from Cities
- State & Chehalis Tribe if they are not on WMP
- Others?
- Strong role
  - budget & revenue allocations
  - Project approvals

# FCZD & WMP Schedule of Formation

- New FCZDs in Grays Harbor & Thurston need expression of *intent* to form in November, 2010
- Existing FCZD in Lewis needs confirmation of subzone for Chehalis River Basin
- Boundary Review Board process
- Negotiate WMP Interlocal
- WMP decision to form by June 2011
- Revenue generation begins 2012

# Next Steps

- Agenda for September 16 meeting:
- Finance Policy decisions
  - Tax, charges, and/or assessments
  - Allocation principles
  - Bonding
  - Revenue Requirement
- Boundaries

Questions?

## Appendix C – Socioeconomic Technical Data

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**Table A1 - Socioeconomic Data for Selected Cities in Grays Harbor County**

Grays Harbor County Cities Year	McCleary 2000	Elma 2000	Montesano 2000	Cosmopolis 2000	Aberdeen 2000	Hoquiam 2000	Ocean Shore 2000	Westport 2000	Oakville 2000
<b>Population and Household</b>									
Total Population	1,454	3,049	3,312	1,595	16,461	9,097	3,836	2,137	675
Total Households	586	1,215	1,392	646	6,611	3,683	1,793	989	233
Average Household Size	2.48	2.51	2.38	2.47	2.49	2.47	2.14	2.16	2.90
Median Age	38	34	39	39	35	36	52	43	32
Median Income	30,769	32,031	40,204	41,106	30,683	29,658	34,643	32,037	30,357
Individuals below poverty level	260	566	377	178	3,589	1,695	470	304	116
Civilian Labor Force	597	1,192	1,463	776	7,373	3,778	1,583	925	270
Unemployment Rate	8.54%	10.15%	5.60%	6.70%	9.93%	10.69%	5.24%	7.68%	9.26%
<b>Population by Race - One Race</b>									
White (%)	94.36%	90.98%	94.99%	93.04%	84.87%	89.32%	92.44%	92.75%	293.63%
Black or African American (%)	0.21%	0.59%	0.12%	0.13%	0.47%	0.32%	0.60%	0.33%	1.04%
American Indian and Alaskan Native (%)	0.89%	1.31%	1.87%	1.76%	3.70%	3.86%	2.19%	3.09%	9.78%
Asian (%)	0.28%	1.28%	0.48%	1.50%	2.10%	1.18%	1.23%	0.94%	2.96%
Native Hawaiian and Other Pacific Island	0.00%	0.26%	0.06%	0.06%	0.14%	0.07%	0.10%	0.05%	0.15%
Some Other Race (%)	0.76%	1.64%	0.18%	1.19%	5.15%	2.09%	0.81%	0.47%	1.48%
Two or More Races (%)	3.51%	3.94%	2.29%	2.32%	3.57%	3.18%	2.63%	2.39%	7.56%
<b>Population by Race - Race alone or in combination with one or more other races</b>									
White (%)	94.43%	90.77%	94.79%	93.08%	84.82%	88.98%	92.23%	92.65%	92.65%
Black or African American (%)	0.20%	0.95%	0.47%	0.24%	0.98%	0.72%	0.86%	0.41%	0.41%
American Indian and Alaskan Native (%)	3.12%	3.12%	3.12%	3.06%	5.24%	5.60%	3.44%	4.75%	4.75%
Asian (%)	0.60%	1.98%	0.94%	1.78%	2.61%	1.73%	1.82%	1.19%	1.19%
Native Hawaiian and Other Pacific Island	0.00%	0.35%	0.12%	0.12%	0.34%	0.46%	0.43%	0.18%	0.18%
Some Other Race (%)	1.66%	2.84%	0.56%	1.71%	6.01%	2.51%	1.21%	0.82%	0.82%
<b>Population by Race - Hispanic or Latino and Race</b>									
Hispanic or Latino (of any race)	2.20%	3.64%	1.84%	3.32%	9.22%	5.75%	1.75%	2.99%	2.99%
Not Hispanic or Latino	97.80%	96.36%	98.16%	96.68%	90.78%	94.25%	98.25%	97.01%	97.01%
White Alone	93.12%	89.34%	93.72%	91.72%	82.19%	86.45%	91.55%	90.64%	90.64%
<b>Housing Characteristics</b>									
Occupied Housing Units (%)	95.20%	89.85%	94.18%	94.71%	86.48%	90.48%	56.44%	72.39%	89.62%
Vacant Housing Units (%)	4.80%	10.15%	5.82%	5.29%	13.52%	9.52%	13.91%	27.61%	10.38%
Owner-Occupied Units (%)	63.96%	54.98%	69.08%	82.02%	58.42%	57.34%	100.00%	65.01%	67.38%
Renter-Occupied Units	36.04%	45.02%	30.92%	17.98%	41.58%	42.66%	75.35%	34.99%	32.62%
Total Housing Units (#)	583	1,330	1,408	681	7,536	4,023	3,170	1,358	260

**Notes:** Total households and unemployment rate were calculated; 2000 Census did not have that exact data; households might be a little high, since typically total population is a little higher than household population. The 2000 census did not provide race data with Hispanic/Latino separated from other races; the Hispanic/Latino data was either mixed in with other races, or not separated from other races.

**Table A1 - Socioeconomic Data for Selected Cities in Thurston County**

Thurston County Cities Year	Yelm 2000	Rainier 2000	Tenino 2000	Bucoda 2000	Lacey 2000	Olympia 2000	Olympia 2008	Tumwater 2000
<b>Population and Household</b>								
Total Population	3,289	1,492	1,447	628	31,226	42,514	46,529	12,698
Total Households	1,232	529	574	219	12,642	19,237	20,045	5,772
Average Household Size	2.67	2.82	2.52	2.87	2.47	2.21	2.28	2.20
Median Age	31	34	34	34	34	36	35	36
Median Income	39,453	42,955	34,526	34,286	43,848	40,846	50,843	43,329
Individuals below poverty level	333	100	132	162	2,798	4,982	7,259	1,060
Civilian Labor Force	1,566	717	671	285	14,919	22,877	26,014	6,873
Unemployment Rate	9.58%	7.81%	7.75%	14.39%	6.57%	4.95%	5.10%	5.47%
<b>Population by Race - One Race</b>								
White (%)	86.17%	92.56%	90.53%	92.04%	78.19%	85.26%	85.75%	88.41%
Black or African American (%)	1.79%	0.54%	0.83%	0.00%	4.77%	1.89%	2.59%	1.39%
American Indian and Alaskan Native (%)	2.22%	1.81%	1.17%	0.80%	1.33%	1.30%	0.94%	1.24%
Asian (%)	1.73%	0.74%	3.11%	2.71%	7.76%	5.82%	6.15%	3.90%
Native Hawaiian and Other Pacific Island	1.16%	0.27%	0.07%	0.32%	1.06%	0.29%	0.21%	0.36%
Some Other Race (%)	1.58%	0.80%	1.94%	1.27%	2.16%	1.68%	1.48%	1.50%
Two or More Races (%)	5.35%	3.28%	2.35%	3.34%	4.72%	3.76%	2.88%	3.21%
<b>Population by Race - Race alone or in combination with one or more other races</b>								
White (%)	86.07%	92.37%	90.24%	92.30%	78.17%	85.09%	85.37%	88.27%
Black or African American (%)	2.53%	0.65%	1.35%	0.00%	5.66%	2.59%	3.39%	1.91%
American Indian and Alaskan Native (%)	4.14%	3.75%	2.22%	2.77%	2.42%	2.43%	1.83%	2.22%
Asian (%)	2.90%	1.68%	3.64%	2.77%	9.24%	6.86%	7.24%	4.74%
Native Hawaiian and Other Pacific Island	1.38%	0.32%	0.27%	0.31%	1.46%	0.64%	0.53%	0.65%
Some Other Race (%)	2.99%	1.23%	2.29%	1.85%	3.05%	2.39%	1.64%	2.21%
<b>Population by Race - Hispanic or Latino and Race</b>								
Hispanic or Latino (of any race)	5.35%	3.89%	3.80%	2.06%	5.90%	4.38%	5.97%	4.08%
Not Hispanic or Latino	94.65%	96.11%	96.20%	97.46%	94.10%	95.62%	94.03%	95.92%
White Alone	83.31%	90.21%	89.29%	91.28%	75.45%	83.13%	81.85%	86.27%
<b>Housing Characteristics</b>								
Occupied Housing Units (%)	91.91%	96.19%	93.50%	92.80%	94.67%	94.59%	94.64%	95.06%
Vacant Housing Units (%)	8.09%	3.81%	6.50%	7.20%	5.33%	5.41%	5.36%	4.94%
Owner-Occupied Units (%)	55.35%	80.57%	68.52%	69.41%	55.53%	50.32%	50.73%	48.22%
Renter-Occupied Units	44.65%	19.43%	31.48%	30.59%	44.47%	49.68%	49.27%	51.78%
Total Housing Units (#)	1,323	551	615	236	13,160	19,738	21,181	5,953

**Notes:** Total households and unemployment rate were calculated except for 2008 Olympia data; 2000 Census did not have that exact data; households might be a little high, since typically total population is a little higher than household population.  
 2008 Olympia individuals below poverty level were calculated, the 2008 estimates did not specifically provide a number for this statistic.  
 The 2000 census did not provide race data with Hispanic/Latino separated from other races; the Hispanic/Latino data was either mixed in with other races, or not separated from other races.

**Table A1 - Socioeconomic Data for Selected Cities in Lewis County**

Lewis County Cities Year	Morton 2000	Mossyrock 2000	Toledo 2000	Vader 2000	Winlock 2000	Napavine 2000	Chehalis 2000	Centralia 2000	Pe Ell 2000
<b>Population and Household</b>									
Total Population	1,045	486	653	590	1,166	1,361	7,057	14,742	657
Total Households	450	187	251	208	419	446	2,869	6,143	248
Average Household Size	2.32	2.60	2.60	2.84	2.78	3.05	2.46	2.40	2.65
Median Age	43	32	37	36	33	29	32	37	34
Median Income	31,063	29,750	29,271	30,750	30,000	40,966	33,482	30,078	27,321
Individuals below poverty level	143	88	89	145	215	171	1,289	2,591	154
Civilian Labor Force	415	180	271	238	519	579	3,139	6,334	275
Unemployment Rate	6.27%	10.00%	7.75%	10.50%	11.37%	6.56%	10.80%	9.74%	12.36%
<b>Population by Race - One Race</b>									
White (%)	95.41%	90.33%	93.26%	93.56%	88.25%	93.02%	89.56%	89.76%	93.15%
Black or African American (%)	0.00%	0.21%	0.61%	0.00%	0.17%	0.15%	1.35%	0.44%	0.30%
American Indian and Alaskan Native (%)	1.24%	1.85%	2.30%	0.34%	0.77%	1.54%	1.46%	1.25%	2.28%
Asian (%)	0.67%	0.21%	0.31%	0.00%	0.77%	0.15%	1.20%	0.94%	0.91%
Native Hawaiian and Other Pacific Island	0.00%	0.21%	0.00%	0.00%	0.00%	0.29%	0.24%	0.30%	0.61%
Some Other Race (%)	0.38%	3.50%	1.53%	1.86%	6.17%	3.31%	3.95%	4.94%	1.07%
Two or More Races (%)	2.30%	3.70%	1.99%	4.24%	3.86%	1.54%	2.24%	2.38%	1.67%
<b>Population by Race - Race alone or in combination with one or more other races</b>									
White (%)	95.14%	89.92%	93.24%	93.61%	88.52%	92.91%	89.59%	89.68%	92.99%
Black or African American (%)	0.00%	0.20%	0.75%	0.17%	0.83%	0.51%	1.55%	0.67%	0.30%
American Indian and Alaskan Native (%)	2.52%	3.16%	3.45%	2.02%	1.98%	1.81%	2.38%	2.14%	3.28%
Asian (%)	1.21%	0.59%	0.45%	0.34%	0.83%	0.72%	1.44%	1.23%	0.90%
Native Hawaiian and Other Pacific Island	0.09%	0.20%	0.00%	0.34%	0.00%	0.43%	0.42%	0.56%	0.60%
Some Other Race (%)	1.03%	5.93%	2.10%	3.53%	7.84%	3.62%	4.63%	5.72%	1.94%
<b>Population by Race - Hispanic or Latino and Race</b>									
Hispanic or Latino (of any race)	1.15%	6.79%	4.90%	6.61%	8.58%	5.73%	7.91%	10.22%	2.28%
Not Hispanic or Latino	98.85%	93.21%	95.10%	93.39%	91.42%	94.27%	93.51%	89.78%	97.72%
White Alone	94.64%	88.48%	90.35%	88.98%	86.96%	91.04%	86.24%	85.31%	92.09%
<b>Housing Characteristics</b>									
Occupied Housing Units (%)	89.73%	86.98%	93.64%	90.43%	90.91%	93.67%	93.03%	91.29%	85.81%
Vacant Housing Units (%)	10.27%	13.02%	6.36%	9.57%	9.09%	6.33%	6.97%	8.71%	14.19%
Owner-Occupied Units (%)	65.68%	63.64%	64.15%	81.25%	65.95%	78.15%	50.69%	55.33%	78.63%
Renter-Occupied Units	34.32%	36.36%	35.85%	18.75%	34.05%	21.85%	49.31%	44.67%	21.37%
Total Housing Units (#)	487	215	283	230	462	474	2,871	6,510	289

**Notes:** Total households and unemployment rate were calculated; 2000 Census did not have that exact data;

households might be a little high, since typically total population is a little higher than household population.

The 2000 census did not provide race data with Hispanic/Latino separated from other races; the Hispanic/Latino data was either mixed in with other races, or not separated from other races.

**Appendix Table B1 – Grays Harbor County  
 IMPLAN Analysis based on Jobs in Floodplain (Annual Benefits in 2009 Dollars)**

<b>Agriculture, Forestry, Fishing and Hunting</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	172	\$7,617,680	\$9,105,975	\$18,616,656
Indirect Effect	47.5	\$2,150,135	\$3,306,925	\$6,592,186
Induced Effect	40.1	\$1,469,887	\$2,595,317	\$4,300,566
<b>Total Effect</b>	<b>259.6</b>	<b>\$11,237,702</b>	<b>\$15,008,218</b>	<b>\$29,509,408</b>
<b>Utilities</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	195	\$4,951,184	\$20,804,286	\$190,169,935
Indirect Effect	367.4	\$15,249,346	\$24,228,787	\$46,260,002
Induced Effect	79.1	\$2,906,437	\$5,123,700	\$8,503,295
<b>Total Effect</b>	<b>641.5</b>	<b>\$23,106,967</b>	<b>\$50,156,773</b>	<b>\$244,933,231</b>
<b>Construction</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	649	\$33,363,918	\$39,142,004	\$84,282,099
Indirect Effect	126.6	\$5,228,466	\$8,808,990	\$16,290,248
Induced Effect	150	\$5,513,875	\$9,720,330	\$16,131,720
<b>Total Effect</b>	<b>925.6</b>	<b>\$44,106,260</b>	<b>\$57,671,325</b>	<b>\$116,704,068</b>
<b>Manufacturing</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	817	\$57,349,472	\$88,707,106	\$333,459,314
Indirect Effect	535.5	\$25,750,759	\$39,742,684	\$85,604,072
Induced Effect	326.5	\$11,999,988	\$21,160,195	\$35,108,181
<b>Total Effect</b>	<b>1,679.10</b>	<b>\$95,100,219</b>	<b>\$149,609,984</b>	<b>\$454,171,567</b>
<b>Wholesale Trade</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	220	\$12,502,378	\$21,586,305	\$32,143,679
Indirect Effect	40.3	\$1,746,230	\$3,060,940	\$5,348,242
Induced Effect	55.1	\$2,026,074	\$3,571,221	\$5,927,579
<b>Total Effect</b>	<b>315.4</b>	<b>\$16,274,681</b>	<b>\$28,218,467</b>	<b>\$43,419,500</b>
<b>Retail Trade</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	1,403.00	\$45,564,679	\$73,013,327	\$85,479,412
Indirect Effect	46.5	\$1,912,671	\$3,992,008	\$6,790,930
Induced Effect	183.3	\$6,740,094	\$11,880,585	\$19,719,113
<b>Total Effect</b>	<b>1,632.80</b>	<b>\$54,217,443</b>	<b>\$88,885,920</b>	<b>\$111,989,456</b>
<b>Transportation and Warehousing</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	218	\$9,899,352	\$13,150,143	\$26,598,271
Indirect Effect	43.2	\$1,878,574	\$3,080,219	\$5,975,375
Induced Effect	46.8	\$1,719,880	\$3,033,802	\$5,031,872
<b>Total Effect</b>	<b>308</b>	<b>\$13,497,806</b>	<b>\$19,264,164</b>	<b>\$37,605,518</b>

**Appendix Table B1 – Grays Harbor County (continued)**

<b>Information</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	163	\$7,555,493	\$18,097,403	\$34,607,946
Indirect Effect	47.9	\$1,814,741	\$3,577,312	\$6,436,038
Induced Effect	35.6	\$1,308,359	\$2,304,742	\$3,827,739
<b>Total Effect</b>	<b>246.5</b>	<b>\$10,678,593</b>	<b>\$23,979,456</b>	<b>\$44,871,724</b>
<b>Finance and Insurance</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	457	\$26,559,857	\$53,694,904	\$97,571,107
Indirect Effect	143.6	\$6,122,247	\$11,698,875	\$20,747,282
Induced Effect	132.3	\$4,856,462	\$8,570,651	\$14,208,800
<b>Total Effect</b>	<b>732.9</b>	<b>\$37,538,565</b>	<b>\$73,964,430</b>	<b>\$132,527,189</b>
<b>Real Estate and Rental and Leasing</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	95	\$1,677,656	\$31,122,294	\$44,071,247
Indirect Effect	43.3	\$1,806,736	\$4,095,736	\$6,961,475
Induced Effect	14.1	\$519,358	\$916,409	\$1,519,517
<b>Total Effect</b>	<b>152.4</b>	<b>\$4,003,750</b>	<b>\$36,134,439</b>	<b>\$52,552,238</b>
<b>Professional, Scientific, and Technical Services</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	140	\$6,079,389	\$8,705,879	\$12,963,720
Indirect Effect	14.4	\$522,977	\$1,050,619	\$1,825,076
Induced Effect	26.4	\$969,552	\$1,710,648	\$2,836,642
<b>Total Effect</b>	<b>180.8</b>	<b>\$7,571,918</b>	<b>\$11,467,145</b>	<b>\$17,625,438</b>
<b>Management of Companies and Enterprises</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	6	\$581,044	\$708,011	\$1,163,566
Indirect Effect	1.4	\$53,030	\$109,079	\$183,082
Induced Effect	2.4	\$88,072	\$155,130	\$257,663
<b>Total Effect</b>	<b>9.8</b>	<b>\$722,146</b>	<b>\$972,219</b>	<b>\$1,604,311</b>
<b>Administration &amp; Support, Waste Management and Remediation</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	231	\$7,819,553	\$10,991,912	\$19,618,638
Indirect Effect	29.6	\$1,096,456	\$1,981,032	\$3,636,585
Induced Effect	34.2	\$1,259,294	\$2,219,199	\$3,684,230
<b>Total Effect</b>	<b>294.9</b>	<b>\$10,175,303</b>	<b>\$15,192,144</b>	<b>\$26,939,453</b>
<b>Educational Services</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	1,078.00	\$17,038,628	\$22,760,205	\$41,559,451
Indirect Effect	56.2	\$2,238,552	\$5,128,729	\$8,824,910
Induced Effect	75.3	\$2,767,852	\$4,880,209	\$8,097,825
<b>Total Effect</b>	<b>1,209.50</b>	<b>\$22,045,032</b>	<b>\$32,769,143</b>	<b>\$58,482,185</b>

**Appendix Table B1 – Grays Harbor County (continued)**

<b>Health Care and Social Assistance</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	573	\$27,912,274	\$29,880,324	\$53,592,504
Indirect Effect	70	\$2,821,026	\$6,137,959	\$10,631,247
Induced Effect	118.1	\$4,342,323	\$7,652,720	\$12,704,043
<b>Total Effect</b>	<b>761.1</b>	<b>\$35,075,624</b>	<b>\$43,671,003</b>	<b>\$76,927,794</b>
<b>Arts, Entertainment, and Recreation</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	122	\$1,878,979	\$3,354,323	\$5,887,377
Indirect Effect	11.1	\$360,859	\$675,639	\$1,169,746
Induced Effect	8.7	\$318,813	\$561,960	\$932,736
<b>Total Effect</b>	<b>141.8</b>	<b>\$2,558,650</b>	<b>\$4,591,922</b>	<b>\$7,989,859</b>
<b>Accommodation and Food Services</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	754	\$14,861,809	\$22,192,505	\$44,728,385
Indirect Effect	70.2	\$2,907,323	\$5,421,417	\$9,906,053
Induced Effect	68.4	\$2,515,024	\$4,432,442	\$7,358,046
<b>Total Effect</b>	<b>892.6</b>	<b>\$20,284,155</b>	<b>\$32,046,364</b>	<b>\$61,992,484</b>
<b>Other Services (excluding Public Administration)</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	442	\$12,013,875	\$13,197,402	\$23,746,763
Indirect Effect	32.5	\$1,312,150	\$2,663,355	\$4,697,863
Induced Effect	53.6	\$1,969,525	\$3,475,574	\$5,762,316
<b>Total Effect</b>	<b>528.1</b>	<b>\$15,295,550</b>	<b>\$19,336,332</b>	<b>\$34,206,941</b>
<b>Public Administration</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	470	\$23,855,930	\$27,019,286	\$43,972,929
Indirect Effect	43.3	\$1,911,568	\$3,236,335	\$6,207,626
Induced Effect	97	\$3,569,405	\$6,286,863	\$10,442,597
<b>Total Effect</b>	<b>610.3</b>	<b>\$29,336,903</b>	<b>\$36,542,485</b>	<b>\$60,623,151</b>
<b>Total</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	8,205	319,083,150	507,233,594	1,194,232,999
Indirect Effect	1,771	76,883,846	131,996,640	254,088,038
Induced Effect	1,547	56,860,274	100,251,697	166,354,480
<b>Total Effect</b>	<b>11,523</b>	<b>452,827,267</b>	<b>739,481,933</b>	<b>1,614,675,515</b>

**Appendix Table B2 – Lewis County  
 IMPLAN Analysis based on Jobs in Floodplain (Annual Benefits in 2009 Dollars)**

<b>Agriculture, Forestry, Fishing and Hunting</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	24	\$785,116	\$892,697	\$2,018,379
Indirect Effect	6.7	\$238,755	\$375,060	\$737,123
Induced Effect	4.8	\$173,516	\$306,373	\$492,411
<b>Total Effect</b>	<b>35.6</b>	<b>\$1,197,387</b>	<b>\$1,574,129</b>	<b>\$3,247,913</b>
<b>Mining, Quarrying, and Oil and Gas Extraction</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	85	\$5,836,798	\$12,485,708	\$24,642,337
Indirect Effect	28.5	\$1,291,879	\$2,898,422	\$4,982,118
Induced Effect	33.1	\$1,188,655	\$2,097,772	\$3,373,264
<b>Total Effect</b>	<b>146.6</b>	<b>\$8,317,331</b>	<b>\$17,481,901</b>	<b>\$32,997,720</b>
<b>Utilities</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	257	\$37,895,119	\$130,703,480	\$203,070,577
Indirect Effect	233.9	\$10,132,363	\$16,750,010	\$31,288,248
Induced Effect	221.2	\$7,936,005	\$14,002,302	\$22,521,587
<b>Total Effect</b>	<b>712</b>	<b>\$55,963,487</b>	<b>\$161,455,792</b>	<b>\$256,880,412</b>
<b>Construction</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	221	\$10,463,160	\$12,282,273	\$27,434,685
Indirect Effect	44	\$1,601,084	\$2,678,902	\$4,345,499
Induced Effect	57.1	\$2,044,394	\$3,609,495	\$5,801,701
<b>Total Effect</b>	<b>322.1</b>	<b>\$14,108,637</b>	<b>\$18,570,670</b>	<b>\$37,581,885</b>
<b>Manufacturing</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	249	\$14,151,575	\$19,961,681	\$72,323,041
Indirect Effect	116.1	\$4,835,297	\$7,988,872	\$14,975,272
Induced Effect	87.6	\$3,144,989	\$5,549,038	\$8,925,177
<b>Total Effect</b>	<b>452.70</b>	<b>\$22,131,862</b>	<b>\$33,499,591</b>	<b>\$96,223,490</b>
<b>Wholesale Trade</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	143	\$77,226,186	\$133,120,647	\$199,400,428
Indirect Effect	303.1	\$12,003,730	\$20,520,043	\$34,827,242
Induced Effect	414.7	\$14,872,473	\$26,246,465	\$42,206,418
<b>Total Effect</b>	<b>860.80</b>	<b>\$104,102,389</b>	<b>\$179,887,155</b>	<b>\$276,434,089</b>
<b>Retail Trade</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	1,494.00	\$45,934,358	\$72,838,685	\$85,352,186
Indirect Effect	55.8	\$2,140,927	\$4,442,617	\$7,329,291
Induced Effect	224.2	\$8,037,298	\$14,186,140	\$22,808,832
<b>Total Effect</b>	<b>1,774.00</b>	<b>\$56,112,582</b>	<b>\$91,467,442</b>	<b>\$115,490,310</b>

**Appendix Table B2 – Lewis County (continued)**

<b>Transportation and Warehousing</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	49	\$2,272,179	\$2,975,723	\$5,877,234
Indirect Effect	11.1	\$448,481	\$716,392	\$1,273,345
Induced Effect	12.9	\$462,233	\$816,138	\$1,311,751
<b>Total Effect</b>	<b>73</b>	<b>\$3,182,893</b>	<b>\$4,508,253</b>	<b>\$8,462,330</b>
<b>Information</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	4	\$214,292	\$482,824	\$925,230
Indirect Effect	1.5	\$51,463	\$96,271	\$167,607
Induced Effect	1.2	\$44,346	\$78,258	\$125,848
<b>Total Effect</b>	<b>6.7</b>	<b>\$310,101</b>	<b>\$657,353</b>	<b>\$1,218,685</b>
<b>Finance and Insurance</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	25	\$1,190,587	\$2,446,807	\$4,526,882
Indirect Effect	7.4	\$274,127	\$509,573	\$905,042
Induced Effect	7	\$251,908	\$444,904	\$714,876
<b>Total Effect</b>	<b>39.4</b>	<b>\$1,716,622</b>	<b>\$3,401,285</b>	<b>\$6,146,801</b>
<b>Real Estate and Rental and Leasing</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	42	\$798,488	\$13,697,301	\$19,419,016
Indirect Effect	21.8	\$807,008	\$1,868,725	\$3,122,830
Induced Effect	7.9	\$281,002	\$496,408	\$797,439
<b>Total Effect</b>	<b>71.7</b>	<b>\$1,886,497</b>	<b>\$16,062,433</b>	<b>\$23,339,285</b>
<b>Professional, Scientific, and Technical Services</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	60	\$2,342,223	\$2,900,864	\$4,656,071
Indirect Effect	7.2	\$239,214	\$459,793	\$779,290
Induced Effect	12.6	\$448,790	\$792,929	\$1,273,580
<b>Total Effect</b>	<b>79.7</b>	<b>\$3,030,227</b>	<b>\$4,153,586</b>	<b>\$6,708,941</b>
<b>Management of Companies and Enterprises</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	48	\$3,001,373	\$3,655,341	\$7,016,391
Indirect Effect	12.3	\$432,604	\$846,677	\$1,410,584
Induced Effect	15.8	\$565,527	\$997,671	\$1,604,915
<b>Total Effect</b>	<b>76.1</b>	<b>\$3,999,503</b>	<b>\$5,499,689</b>	<b>\$10,031,890</b>
<b>Administration &amp; Support, Waste Management and Remediation</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	14	\$359,196	\$485,508	\$841,840
Indirect Effect	1.5	\$49,097	\$85,923	\$149,541
Induced Effect	1.9	\$68,875	\$121,588	\$195,457
<b>Total Effect</b>	<b>17.4</b>	<b>\$477,168</b>	<b>\$693,019</b>	<b>\$1,186,837</b>

**Appendix Table B2 – Lewis County (continued)**

<b>Educational Services</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	108	\$1,949,190	\$2,353,086	\$4,318,794
Indirect Effect	6.1	\$245,756	\$642,896	\$1,025,237
Induced Effect	10.2	\$366,164	\$646,226	\$1,039,131
<b>Total Effect</b>	<b>124.30</b>	<b>\$2,561,110</b>	<b>\$3,642,209</b>	<b>\$6,383,162</b>
<b>Health Care and Social Assistance</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	1,341	\$68,015,933	\$74,526,443	\$132,988,319
Indirect Effect	197.1	\$7,189,387	\$15,682,015	\$25,684,276
Induced Effect	350.6	\$12,570,879	\$22,187,195	\$35,674,625
<b>Total Effect</b>	<b>1,888.70</b>	<b>\$87,776,200</b>	<b>\$112,395,654</b>	<b>\$194,347,221</b>
<b>Arts, Entertainment, and Recreation</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	62	\$738,318	\$1,083,604	\$2,150,929
Indirect Effect	5.6	\$163,700	\$303,264	\$515,854
Induced Effect	4.2	\$150,448	\$265,507	\$426,955
<b>Total Effect</b>	<b>71.8</b>	<b>\$1,052,466</b>	<b>\$1,652,375</b>	<b>\$3,093,738</b>
<b>Accommodation and Food Services</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	655	\$13,399,140	\$19,407,608	\$38,457,603
Indirect Effect	62.8	\$2,405,266	\$4,786,798	\$7,955,722
Induced Effect	73.2	\$2,626,859	\$4,635,471	\$7,454,742
<b>Total Effect</b>	<b>791</b>	<b>\$18,431,265</b>	<b>\$28,829,877</b>	<b>\$53,868,067</b>
<b>Other Services (excluding Public Administration)</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	150	\$4,127,503	\$4,679,864	\$10,511,225
Indirect Effect	20.4	\$736,436	\$1,490,898	\$2,502,345
Induced Effect	23.7	\$846,015	\$1,494,712	\$2,400,833
<b>Total Effect</b>	<b>194</b>	<b>\$5,709,954</b>	<b>\$7,665,473</b>	<b>\$15,414,403</b>
<b>Public Administration</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	312	\$16,431,398	\$18,595,786	\$25,215,200
Indirect Effect	18.9	\$786,490	\$1,422,468	\$2,459,557
Induced Effect	78.8	\$2,827,423	\$4,988,036	\$8,023,961
<b>Total Effect</b>	<b>409.7</b>	<b>\$20,045,312</b>	<b>\$25,006,290</b>	<b>\$35,698,718</b>
<b>Total</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	5,343	307,132,132	529,575,930	871,146,367
Indirect Effect	1,162	46,073,064	84,565,619	146,436,023
Induced Effect	1,643	58,907,799	103,962,628	167,173,503
<b>Total Effect</b>	<b>8,147</b>	<b>412,112,993</b>	<b>718,104,176</b>	<b>1,184,755,897</b>

**Appendix Table B3 – Thurston County  
 IMPLAN Analysis based on Jobs in Floodplain (Annual Benefits in 2009 Dollars)**

<b>Agriculture, Forestry, Fishing and Hunting</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	145	\$6,583,144	\$8,190,519	\$15,804,001
Indirect Effect	20.3	\$978,582	\$1,826,079	\$3,037,194
Induced Effect	34.2	\$1,360,735	\$2,478,167	\$3,763,406
<b>Total Effect</b>	<b>199.4</b>	<b>\$8,922,461</b>	<b>\$12,494,765</b>	<b>\$22,604,601</b>
<b>Construction</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	14	\$720,240	\$846,291	\$1,820,585
Indirect Effect	2.6	\$117,339	\$191,490	\$293,483
Induced Effect	3.8	\$150,476	\$273,949	\$416,099
<b>Total Effect</b>	<b>20.4</b>	<b>\$988,055</b>	<b>\$1,311,731</b>	<b>\$2,530,168</b>
<b>Wholesale Trade</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	31	\$2,849,024	\$4,903,943	\$7,140,116
Indirect Effect	10.2	\$522,613	\$862,921	\$1,357,534
Induced Effect	15	\$599,806	\$1,090,977	\$1,657,811
<b>Total Effect</b>	<b>56.20</b>	<b>\$3,971,443</b>	<b>\$6,857,840</b>	<b>\$10,155,461</b>
<b>Retail Trade</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	12	\$369,663	\$581,572	\$680,924
Indirect Effect	0.4	\$19,747	\$39,533	\$61,057
Induced Effect	1.7	\$69,333	\$126,143	\$191,657
<b>Total Effect</b>	<b>14.20</b>	<b>\$458,743</b>	<b>\$747,248</b>	<b>\$933,638</b>
<b>Transportation and Warehousing</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	16	\$717,014	\$981,530	\$1,840,705
Indirect Effect	2.7	\$124,448	\$203,117	\$324,202
Induced Effect	3.8	\$151,193	\$275,241	\$418,071
<b>Total Effect</b>	<b>22.5</b>	<b>\$992,655</b>	<b>\$1,459,888</b>	<b>\$2,582,978</b>
<b>Real Estate and Rental and Leasing</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	5	\$80,959	\$1,395,923	\$1,963,757
Indirect Effect	2.3	\$101,608	\$224,044	\$363,074
Induced Effect	0.8	\$33,094	\$60,250	\$91,513
<b>Total Effect</b>	<b>8.2</b>	<b>\$215,661</b>	<b>\$1,680,216</b>	<b>\$2,418,343</b>
<b>Administration &amp; Support, Waste Management and Remediation</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	3	\$75,773	\$96,541	\$168,894
Indirect Effect	0.3	\$11,346	\$19,380	\$31,718
Induced Effect	0.4	\$15,623	\$28,437	\$43,196
<b>Total Effect</b>	<b>3.7</b>	<b>\$102,741</b>	<b>\$144,358</b>	<b>\$243,808</b>

**Appendix Table B3 – Thurston County (continued)**

<b>Health Care and Social Assistance</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	5	\$265,486	\$288,823	\$495,562
Indirect Effect	0.7	\$32,130	\$66,651	\$104,192
Induced Effect	1.3	\$53,182	\$96,783	\$147,031
Total Effect	7.10	\$350,798	\$452,257	\$746,784
<b>Accommodation and Food Services</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	9	\$198,427	\$289,773	\$557,644
Indirect Effect	0.9	\$44,050	\$79,414	\$122,503
Induced Effect	1.1	\$43,207	\$78,601	\$119,430
Total Effect	11	\$285,684	\$447,788	\$799,576
<b>Other Services (excluding Public Administration)</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	16	\$639,663	\$701,219	\$1,101,627
Indirect Effect	1.4	\$62,335	\$122,017	\$195,297
Induced Effect	3.2	\$126,245	\$229,885	\$349,133
Total Effect	20.6	\$828,244	\$1,053,121	\$1,646,057
<b>Public Administration</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	286	\$17,457,956	\$19,799,845	\$21,145,262
Indirect Effect	3	\$143,546	\$239,538	\$379,518
Induced Effect	77.9	\$3,115,591	\$5,665,625	\$8,610,224
Total Effect	366.9	\$20,717,093	\$25,705,008	\$30,135,004
<b>Total</b>				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	542	29,957,349	38,075,979	52,719,077
Indirect Effect	45	2,157,744	3,874,184	6,269,772
Induced Effect	143	5,718,485	10,404,058	15,807,571
Total Effect	730	37,833,578	52,354,220	74,796,418

## Appendix D – Full Text of RCW 86.09 and RCW 86.15

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Chapter 86.09 RCW  
Flood control districts — 1937 act

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- 86.09.004 Districts to provide control of water -- Territory includable -- Powers of district wholly within city or town.
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Notes:

Deferral of special assessments: Chapter 84.38 RCW.

Special district creation and operation: Chapter 85.38 RCW.

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### 86.09.001

#### **Districts authorized — Purpose.**

Flood control districts may be created and maintained in this state, as herein provided, for the protection of life and property, the preservation of the public health and the conservation and development of the natural resources of the state of Washington.

[1937 c 72 § 1; RRS § 9663E-1. Formerly RCW

86.08.005, part.]

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**86.09.004****Districts to provide control of water — Territory includable — Powers of district wholly within city or town.**

Such flood control districts shall be organized to provide for the ultimate necessary control of the entire part, or all, of the stream system of any stream or tributary, or for the protection against tidal or any bodies of water, within this state and may include all or part of the territory of any county and may combine the territory in two or more such counties, in which any of the lands benefited from the organization and maintenance of a flood control district are situated.

A district established wholly within the boundaries of any city or town may also provide for the collection, control, and safe and suitable conveyance over and across the district, of intermittent surface and drainage water, originating within or without its boundaries, to suitable and adequate outlets.

[1965 c 26 § 1; 1937 c 72 § 2; RRS § 9663E-2. Formerly RCW

86.08.005, part.]

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**86.09.010****Authorized purposes.**

Such flood control districts may be organized or maintained for any, or all, the following general purposes:

(1) The investigation, planning, construction, improvement, replacement, repair or acquisition of dams, dikes, levees, ditches, channels, canals, banks, revetments and other works, appliances, machinery and equipment and property and rights connected therewith or incidental thereto, convenient and necessary to control floods and lessen their danger and damages.

(2) The cooperation with any agency or agencies of the United States and/or of the state of Washington in investigating and controlling floods and in lessening flood dangers and damages.

[1937 c 72 § 4; RRS § 9663E-4. Formerly RCW

86.08.005, part.]

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**86.09.013****State school or other public lands includable.**

State granted school or other public lands of the state of Washington may be included within such flood control districts.

[1937 c 72 § 5; RRS § 9663E-5. Formerly RCW

86.08.010, part.]

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**86.09.016****Interest in public lands considered as private property — State or public title not affected.**

All leases, contracts or other form of holding any interest in any state or public land shall be treated as the private property of the lessee or owner of the contractual or possessory interest therein: PROVIDED, That nothing in this chapter or in any proceeding authorized thereunder shall be construed to affect the title of the state or other public ownership.

[1937 c 72 § 6; RRS § 9663E-6. Formerly RCW

86.08.010, part.]

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**86.09.019****Federal lands includable.**

Lands of the federal government may be included within such districts in the manner and subject to the conditions, now or hereafter specified in the statutes of the United States.

[1937 c 72 § 7; RRS § 9663E-7. Formerly RCW

86.08.010, part.]

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### **86.09.020**

#### **Certain powers and rights governed by chapter 85.38 RCW.**

Flood control districts shall possess the authority and shall be created, district voting rights shall be determined, and district elections shall be held as provided in chapter

85.38 RCW.

[1985 c 396 § 36.]

#### **Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

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### **86.09.148**

#### **District's corporate powers.**

A flood control district created under this chapter shall constitute a body corporate and shall possess all the usual powers of a corporation for public purposes as well as all powers that may now or hereafter be conferred by law.

[1967 c 164 § 9; 1937 c 72 § 50; RRS § 9663E-50. Formerly RCW

86.08.260, part.]

#### **Notes:**

**Purpose -- Severability -- 1967 c 164:** See notes following RCW 4.96.010.

Tortious conduct of political subdivisions, municipal corporations and quasi municipal corporations, liability for damages: Chapter 4.96 RCW.

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### **86.09.151**

#### **General powers of districts.**

(1) Said flood control districts shall have full authority to carry out the objects of their creation and to that end are authorized to acquire, purchase, hold, lease, manage, improve, repair, occupy, and sell real and personal property or any interest therein, either inside or outside the boundaries of the district, to enter into and perform any and all necessary contracts, to appoint and employ the necessary officers, agents and employees, to sue and be sued, to exercise the right of eminent domain, to levy and enforce the collection of special assessments and in the manner herein provided against the lands within the district, for district revenues, and to do any and all lawful acts required and expedient to carry out the purpose of this chapter.

(2) In addition to the powers conferred in this chapter and those in chapter

85.38 RCW, flood control districts may engage in activities authorized under RCW 36.61.020 for lake or beach management districts using procedures granted in this chapter and in chapter 85.38 RCW.

[2008 c 301 § 27; 1986 c 278 § 52; 1937 c 72 § 51; RRS § 9663E-51. Formerly RCW 86.08.260, part.]

#### **Notes:**

**Severability -- 1986 c 278:** See note following RCW 36.01.010.

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**86.09.152****Exemption of farm and agricultural land from special benefit assessments.**

See RCW

84.34.300 through 84.34.380 and 84.34.922.

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**86.09.154****Sale, lease, use of water by district.**

Duly created flood control districts, when maintaining and operating flood control works, shall have authority incidental thereto to lease, acquire, construct, operate and maintain appropriate instrumentalities for the use and sale or lease of water for any and all beneficial purposes and for the drainage, diking, or irrigation of lands upon the payment to the district of the reasonable cost of such service on a semiannual or monthly toll basis.

[1937 c 72 § 52; RRS § 9663E-52. Formerly RCW

86.08.260, part.]

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**86.09.157****Special assessment bonds authorized — Payment from income.**

Said flood control districts shall also have authority to issue and sell special assessment bonds or notes of the district in accordance with chapter

85.38 RCW.

[1986 c 278 § 40; 1937 c 72 § 53; RRS § 9663E-53. Formerly RCW 86.08.790, part.]

**Notes:**

**Severability -- 1986 c 278:** See note following RCW 36.01.010.

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**86.09.160****Power of district to act for United States.**

Flood control districts created under the provisions of this chapter shall have authority to act as fiscal agent or other authority for the United States to make collections of money for or on behalf of the United States or any federal agency thereof in connection with the operations of said district, whereupon said district and the county treasurer for said district shall be authorized to act and to assume the duties and liabilities incident to such action and the district board shall have full power to do any and all things required by any statute now or hereafter enacted in connection therewith and to do all things required by the rules and regulations now or that may hereafter be established by any department or agency of the state or federal government in regard thereto.

[1937 c 72 § 54; RRS § 9663E-54. Formerly RCW

86.08.260, part.]

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**86.09.163****Contracts with United States or state — Supervision of works.**

The district board shall have authority to enter into any obligation or contract authorized by law with the United States or with the state of Washington for the supervision of the construction, for the construction, reconstruction, betterment, extension, purchase, operation or maintenance of the necessary works for the control of floods or for any other service furthering the objects for which said flood control district is created under the provisions of the law of the state of Washington or of the United States and all amendments or extensions thereof and the rules and regulations established thereunder.

[1937 c 72 § 55; RRS § 9663E-55. Formerly RCW

86.08.260, part.]

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#### **86.09.166**

##### **Contracts with United States or state — Control, management of works — Contribution of funds.**

Flood control districts created under this chapter shall have authority to enter into contracts with, and/or contribute funds to, the United States or any agency thereof, or with, and/or contribute funds to, the state of Washington, under any act of congress or of the state of Washington now in force or hereafter enacted for the assumption of the control and management of the works for such period as may be designated in the contract, or other cooperative arrangement.

[1937 c 72 § 56; RRS § 9663E-56. Formerly RCW

86.08.270, part.]

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#### **86.09.169**

##### **Contracts with United States or state — Bonds as security — Annual assessment and levy.**

In case a contract has been or shall be hereafter made between the district and the United States, or any agency thereof, or with the state of Washington, as herein provided, bonds of the district may be deposited with the United States, or any agency thereof, or with the state of Washington, as payment or as security for future payment at not less than ninety percent of the par value, the interest on said bonds to be provided for by assessment and levy as in the case of bonds of the district sold to private persons and regularly paid to the United States, or any agency thereof, or to the state of Washington, to be applied as provided in such contract and if bonds of the district are not so deposited it shall be the duty of the board of directors to include as part of any levy or assessment against the lands of the district, an amount sufficient to meet each year all payments accruing under the terms of any such contract.

[1937 c 72 § 57; RRS § 9663E-57. Formerly RCW

86.08.270, part.]

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#### **86.09.172**

##### **Contracts with United States or state — When submission to electors required.**

No contract, however, requiring the levy of assessments for more than one year shall be entered into by the district as above provided unless a proposition of entering into such a contract shall have first been submitted to the electors of the district as herein provided for the calling, noticing, conducting and canvassing of special district elections, and by said electors approved.

[1937 c 72 § 58; RRS § 9663E-58. Formerly RCW

86.08.270, part.]

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#### **86.09.175**

##### **Installment contracts — Approval.**

Contracts entered into by districts for construction or for services or materials, may provide that payments shall be made in such monthly proportion of the contract price, as the board shall determine thereon, as the work progresses, or as the services or materials are furnished, on monthly estimates of the value thereof, approved by the state director. Before the district shall enter into any contract, the plans, specifications and form of contract therefor shall be approved by the state director.

[1937 c 72 § 59; RRS § 9663E-59. Formerly RCW

86.08.280, part.]

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**86.09.178****Construction contracts — Public bids, procedure.**

Contracts for construction, or for labor or materials entering into the construction of any improvement authorized by the district shall be awarded at public bidding except as herein otherwise provided. A notice calling for sealed proposals shall be published in such newspaper or newspapers of general circulation as the board shall designate for a period of not less than two weeks (three weekly issues) prior to the day of the opening of the bids. Such proposals shall be accompanied by a certified check for such amount as the board shall decide upon, to guarantee a compliance with the bid and shall be opened in public at the time and place designated in the notice. The contract shall be awarded to the lowest and best responsible bidder: PROVIDED, That the board shall have authority to reject any or all bids, in which event they shall readvertise for bids and, when no satisfactory bid is then received and with the written approval of the director, may proceed to construct the works by force account.

[1965 c 26 § 2; 1937 c 72 § 60; RRS § 9663E-60. Formerly RCW

86.08.280, part.]

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**86.09.181****Contractor's bond.**

Any person, except the state of Washington and the United States, acting under the provisions of this chapter, to whom or to which a contract may have been awarded by the district for construction purposes, or for labor or materials entering therein when the total amount to be paid therefor exceeds one thousand dollars, shall enter into a bond to the state of Washington, with good and sufficient sureties, to be approved and filed with the state director, for one hundred percent of the contract price, conditioned for the faithful performance of said contract and with such further conditions as may be required by law.

[1965 c 26 § 3; 1937 c 72 § 61; RRS § 9663E-61. Formerly RCW

86.08.290, part.]

**Notes:**

Contractor's bond: Chapter [39.08 RCW](#).

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**86.09.196****Construction in parts or units — Liability for assessment.**

The district shall have authority upon the adoption of a comprehensive plan of flood control with the approval of the state director to provide for the construction of the same partially and in parts or units and all the benefited lands in the district shall be liable for assessment to defray the costs of such partial construction or such parts or units until the entire plan has been completed and fully paid for.

[1937 c 72 § 66; RRS § 9663E-66. Formerly RCW

86.08.310.]

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**86.09.202****Eminent domain — Authorized.**

The taking and damaging of property or rights therein or thereto by a flood control district to construct an improvement or to fully carry out the purposes of its organization are hereby declared to be for a public use, and any district organized under the provisions of this chapter, shall have and exercise the power of eminent domain to acquire any property or rights therein or thereto either inside or outside the operation of the district and outside the state of Washington, if necessary, for the use of the district.

[1937 c 72 § 68; RRS § 9663E-68. Formerly RCW

86.08.260, part.]

**86.09.205****Eminent domain — Procedure.**

Flood control districts exercising the power of eminent domain shall proceed in the name of the district in the manner provided by law for the appropriation of real property or of rights therein or thereto, by private corporations, except as otherwise expressly provided herein.

[1937 c 72 § 69; RRS § 9663E-69. Formerly RCW

86.08.320, part.]

**Notes:**

Eminent domain by private corporations generally: Chapter 8.20 RCW.

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**86.09.208****Eminent domain — Consolidation of actions — Separate verdicts.**

The district may at its option unite in a single action proceedings to condemn, for its use, property which is held by separate owners. Two or more condemnation suits instituted separately may also, in the discretion of the court, be consolidated upon motion of any interested party, into a single action. In such cases, the jury shall render separate verdicts for the different tracts of land.

[1937 c 72 § 70; RRS § 9663E-70. Formerly RCW

86.08.320, part.]

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**86.09.211****Eminent domain — Damages, how determined — Judgment when damages exceed benefits.**

The jury, or court if the jury be waived, in such condemnation proceedings shall find and return a verdict for the amount of damages sustained: PROVIDED, That the court or jury, in determining the amount of damages, shall take into consideration the special benefits, if any, that will accrue to the property damaged by reason of the improvement for which the land is sought to be condemned, and shall make special findings in the verdict of the gross amount of damages to be sustained and the gross amount of special benefits that will accrue. If it shall appear by the verdict of findings, that the gross damages exceed said gross special benefits, judgment shall be entered against the district, and in favor of the owner or owners of the property damaged, in the amount of the excess of damages over said benefits, and for the costs of the proceedings, and upon payment of the judgment to the clerk of the court for the owner or owners, a decree of appropriation shall be entered, vesting the title to the property appropriated in the district.

[1937 c 72 § 71; RRS § 9663E-71. Formerly RCW

86.08.330, part.]

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**86.09.214****Eminent domain — Judgment, when benefits equal or exceed damages.**

If it shall appear by the verdict that the gross special benefits equal or exceed the gross damages, judgment shall be entered against the district and in favor of the owner or owners for the costs only, and upon payment of the judgment for costs a decree of appropriation shall be entered vesting the title to the property in the district.

[1937 c 72 § 72; RRS § 9663E-72. Formerly RCW

86.08.330, part.]

**86.09.217****Eminent domain — Right to levy on other land not affected.**

If the damages found in any condemnation proceedings are to be paid for from funds of the flood control district, no finding of the jury or court as to benefits or damages shall in any manner abridge the right of the district to levy and collect assessments for district purposes against the uncondemned lands situated within the district.

[1937 c 72 § 73; RRS § 9663E-73. Formerly RCW

86.08.340, part.]

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**86.09.220****Eminent domain — Unpaid damages to be applied in satisfaction of levies — Deficiency assessments.**

The damages thus allowed but not paid shall be applied pro tanto to the satisfaction of the levies made for such construction costs upon the lands on account of which the damages were awarded: PROVIDED, That nothing herein contained shall be construed to prevent the district from assessing the remaining lands of the owner or owners, so damaged, for deficiencies on account of the principal and interest on bonds and for other benefits not considered by the jury in the condemnation proceedings.

[1937 c 72 § 74; RRS § 9663E-74. Formerly RCW

86.08.340, part.]

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**86.09.223****Eminent domain — Title and estate acquired.**

The title acquired by the district in condemnation proceedings shall be the fee simple title or such lesser estate as shall be designated in the decree of appropriation.

[1937 c 72 § 75; RRS § 9663E-75. Formerly RCW

86.08.340, part.]

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**86.09.226****Right of entry to make surveys and locate works.**

The district board and its agents and employees shall have the right to enter upon any land, to make surveys and may locate the necessary flood control works and the line for canal or canals, dike or dikes and other instrumentalities and the necessary branches and parts for the same on any lands which may be deemed necessary for such location.

[1937 c 72 § 76; RRS § 9663E-76. Formerly RCW

86.08.350.]

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**86.09.229****Crossing road or public utility — Notice, plan, cost, etc.**

Whenever in the progress of the construction of the system of district improvement, it shall become necessary to construct a portion of such system across any public or other road or public utility, the district board shall serve notice in writing upon the public officers, corporation or person having charge of or controlling or owning such road or public utility, as the case may be, of the present necessity of such crossing, giving the location, kind, dimensions and requirement thereof, for the purpose of the system of improvement, and stating a reasonable time, to be fixed by the board, within which plans for such crossing must be filed for approval in case the public officer, corporation or person controlling or owning such road or public utility desire to design and construct such crossing. As soon as convenient, within the time fixed in the notice, the public officers, corporation or person shall, if they desire to construct such crossing, prepare and submit to the board for approval duplicate detailed plans and specifications for such crossing. Upon the return of such approved plans, the public officers, corporation or person controlling such road or public utility shall, within the time fixed by the board, construct such crossing in accordance with the

approved plans. In case such public officers, corporation or person controlling or owning such road or public utility shall fail to file plans for such crossing within the time prescribed in the notice, the district board shall proceed with the construction of such crossing in such manner as will cause no unnecessary injury to or interference with such road or public utility. The cost of construction and maintenance of only such crossings or such portion of such cost as would not have been necessary but for the construction of the system of improvement shall be a proper charge against the district, and only the actual cost of such improvement constructed in accordance with the approved plans shall be charged against the district in the case of crossings constructed by others than the district. The amount of costs of construction allowed as a charge against the district shall be credited ratably on the assessments against the property on which the crossing is constructed if chargeable therewith, until the same is fully satisfied.

[1965 c 26 § 5; 1937 c 72 § 77; RRS § 9663E-77. Formerly RCW

86.08.360.]

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### **86.09.232**

#### **Right-of-way on state land, exception.**

The right-of-way is hereby given, dedicated and set apart to locate, construct and maintain district works over and through any of the lands which are now or may hereafter be the property of the state of Washington, except lands of said state actually dedicated to public use.

[1937 c 72 § 78; RRS § 9663E-78. Formerly RCW

86.08.370, part.]

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### **86.09.235**

#### **Power to construct works inside or outside of district.**

Flood control districts organized under the provisions of this chapter shall have authority to construct, operate and maintain any and all necessary flood control works inside and outside the boundaries of the district.

[1937 c 72 § 79; RRS § 9663E-79. Formerly RCW

86.08.370, part.]

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### **86.09.259**

#### **Board of directors — Number — Officers.**

A flood control district shall be managed by a board of directors consisting of three members. The initial directors shall be appointed, and the elected directors elected, as provided in chapter

85.38 RCW. The directors shall elect a chairman from their number and shall either elect one of their number, or appoint a voter of the district, as secretary to hold office at its pleasure and who shall keep a record of its proceedings.

[1985 c 396 § 58; 1967 c 154 § 7; 1937 c 72 § 87; RRS § 9663E-87. Formerly RCW 86.08.390, part.]

#### **Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

**Provisions cumulative:** "The provisions of this act are cumulative with and shall not amend, repeal or supersede any other powers heretofore or hereafter granted such districts." [1967 c 154 § 5.]

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### **86.09.265**

#### **Board of directors — Quorum — Majority vote required.**

A majority of the directors shall constitute a quorum for the transaction of business, and in all matters requiring action by the board, there shall be a concurrence of at least a majority of the directors.

[1937 c 72 § 89; RRS § 9663E-89. Formerly RCW

86.08.205, part.]

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### **86.09.268**

#### **Board of directors — Powers and duties.**

The board shall have the power and it shall be its duty to adopt a seal of the district, to manage and conduct the business affairs of the district, to employ and appoint such agents, engineers, attorneys, officers and employees as may be necessary, and prescribe their duties, to establish reasonable bylaws, rules and regulations for the government and management of affairs of the district, and generally to perform any and all acts necessary to carry out the purpose of the district organization.

[1937 c 72 § 90; RRS § 9663E-90. Formerly RCW

86.08.175, part.]

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### **86.09.271**

#### **Board of directors — Location of district office — Change of location.**

The office of the directors and principal place of business of the district shall be located, if possible, at some place within the district to be designated by the board. If a place convenient and suitable for conducting district business and public hearings required by this chapter cannot be found within the district, the office may be located in the county within which the major portion of district lands is situated. The office and place of business cannot thereafter be changed, except with the previous written consent of the county legislative authority of the county within which the major portion of the district is situated, and without passing a resolution to that effect at a previous regular meeting of the board, entered in the minutes thereof and without posting a notice of the change in a conspicuous public place at or near the place of business which is to be changed at least ten days prior thereto and by the previous posting of a copy of the notice for the same length of time at or near the new location of the office.

[1985 c 396 § 59; 1965 c 26 § 7; 1937 c 72 § 91; RRS § 9663E-91. Formerly RCW

86.08.200.]

#### **Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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### **86.09.274**

#### **Board of directors — Meetings — Change of date.**

The directors shall hold a regular meeting at their office at least once a year, or more frequently, on the date or dates the board shall designate in their bylaws, and may adjourn any meeting from time to time as may be required for the proper transaction of business: PROVIDED, That the day of the regular meeting cannot be changed, except in the manner prescribed herein for changing the place of business of the district.

[1985 c 396 § 60; 1937 c 72 § 92; RRS § 9663E-92. Formerly RCW

86.08.205, part.]

#### **Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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### **86.09.277**

#### **Board of directors — Special meetings — When notice required — Authorized business.**

Special meetings of the board may be called at any time by order of a majority of the directors. Any member not joining in said order shall be given, by United States mail, at least a three days' notice of such meeting, unless the same is waived in writing,

which notice shall also specify the business to be transacted and the board at such special meeting shall have no authority to transact any business other than that specified in the notice, unless the transaction of any other business is agreed to in writing by all the members of the board.

[1937 c 72 § 93; RRS § 9663E-93. Formerly RCW

86.08.205, part.]

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### **86.09.280**

#### **Board of directors — Meetings and records public — Printing of bylaws and rules.**

All meetings of the directors must be public. All records of the board shall be open for the inspection of any elector of the district during business hours of the day in which any meeting of the board is held. The bylaws, rules and regulations of the board shall be printed in convenient form for distribution in the district.

[1937 c 72 § 94; RRS § 9663E-94. Formerly RCW

86.08.205, part, and 86.08.210, part.]

#### **Notes:**

Meetings of public officials declared public: Chapter [42.32 RCW](#).

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### **86.09.283**

#### **Board of directors — Compensation and expenses of members and employees.**

The board of directors may each receive up to ninety dollars per day or portion thereof spent in actual attendance at official meetings of the board, or in performance of other official services or duties on behalf of the board. The board shall fix the compensation to be paid to the directors, secretary, and all other agents and employees of the district. Compensation for the directors shall not exceed eight thousand six hundred forty dollars in one calendar year. A director is entitled to reimbursement for reasonable expenses actually incurred in connection with such business, including subsistence and lodging, while away from the director's place of residence, and mileage for use of a privately owned vehicle in accordance with chapter

[42.24 RCW](#).

Any director may waive all or any portion of his or her compensation payable under this section as to any month or months during his or her term of office, by a written waiver filed with the secretary as provided in this section. The waiver, to be effective, must be filed any time after the director's election and prior to the date on which the compensation would otherwise be paid. The waiver shall specify the month or period of months for which it is made.

The dollar thresholds established in this section must be adjusted for inflation by the office of financial management every five years, beginning July 1, 2008, based upon changes in the consumer price index during that time period. "Consumer price index" means, for any calendar year, that year's annual average consumer price index, for Washington state, for wage earners and clerical workers, all items, compiled by the bureau of labor and statistics, United States department of labor. If the bureau of labor and statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the adjustments for inflation in this section. The office of financial management must calculate the new dollar threshold and transmit it to the office of the code reviser for publication in the Washington State Register at least one month before the new dollar threshold is to take effect.

A person holding office as commissioner for two or more special purpose districts shall receive only that per diem compensation authorized for one of his or her commissioner positions as compensation for attending an official meeting or conducting official services or duties while representing more than one of his or her districts. However, such commissioner may receive additional per diem compensation if approved by resolution of all boards of the affected commissions.

[2007 c 469 § 12; 1998 c 121 § 13; 1991 c 349 § 24; 1985 c 396 § 61; 1965 c 26 § 8; 1937 c 72 § 95; RRS § 9663E-95. Formerly RCW [86.08.175](#), part, and [86.08.195](#), part.]

#### **Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

**86.09.286****Board of directors — Personal interest in contracts prohibited — Penalty — Officer may be employed.**

No director or any other officer named in this chapter shall in any manner be interested, directly or indirectly, in any contract awarded or to be awarded by the board, or in the profits to be derived therefrom; and for any violation of this provision, such officer shall be deemed guilty of a misdemeanor, and such conviction shall work a forfeiture of his office, and he shall be punished by a fine not exceeding five hundred dollars, or by imprisonment in the county jail not exceeding six months, or by both fine and imprisonment: PROVIDED, That nothing in this section contained shall be construed to prevent any district officer from being employed by the district as foreman or as a day laborer: PROVIDED FURTHER, That this section shall have no application to any person who is a state employee as defined in RCW

42.52.010.

[1994 c 154 § 316; 1969 ex.s. c 234 § 35; 1937 c 72 § 96; RRS § 9663E-96. Formerly RCW 86.08.215.]

**Notes:**

**Parts and captions not law -- Effective date -- Severability -- 1994 c 154:** See RCW 42.52.902, 42.52.904, and 42.52.905.

Ethics in public service act: Chapter 42.52 RCW.

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**86.09.292****Board of directors — Chairman of county commissioners may act when quorum not present.**

In case any member of the district board is absent at the time of any regular monthly meeting of said board, and a quorum of said board cannot be obtained by reason of the absence of said member, it shall be the duty of the chairman of the board of county commissioners of the county in which the office of the district board is located to act in place of said absent member, and the acts of the district board at said meeting shall be valid so far as a quorum is concerned and shall have the same effect as though said absent member were present and acting thereat.

[1937 c 72 § 98; RRS § 9663E-98. Formerly RCW

86.08.205, part.]

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**86.09.301****Board of directors — Oath.**

Every district officer, upon taking office, shall take and subscribe an official oath for the faithful discharge of the duties of his office during the term of his incumbency.

[1985 c 396 § 62; 1937 c 72 § 101; RRS § 9663E-101. Formerly RCW

86.08.195, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

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**86.09.304****Bond of officer or employee handling funds.**

Every district officer or employee handling any district funds shall execute a surety bond payable to the district in the sum of double the estimated amount of funds handled monthly, conditioned that the principal will strictly account for all moneys or credit received by him for the use of the district. Each bond and the amount thereof shall be approved by the county legislative authority of the county within which the major portion of the district is situated, and thereafter filed with the secretary of the district.

[1985 c 396 § 63; 1937 c 72 § 102; RRS § 9663E-102. Formerly RCW

86.08.220, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

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**86.09.307****Bonds — Cost charged to district.**

All official bonds executed by district officers under the provisions of this chapter shall be secured at the cost of the district.

[1937 c 72 § 103; RRS § 9663E-103. Formerly RCW

86.08.220, part.]

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**86.09.310****Delivery of property to successor.**

Every person, upon the expiration or sooner termination of his term of office as an officer of the district, shall immediately turn over and deliver, under oath, to his successor in office, all records, books, papers and other property under his control and belonging to such office. In case of the death of any officer, his legal representative shall turn over and deliver such records, books, papers and other property to the successor in office of such deceased person.

[1937 c 72 § 104; RRS § 9663E-104.]

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**86.09.313****Nearest county treasurer as ex officio district treasurer.**

The county treasurer of any county in which lands within the flood control district are situated, whose office is nearest distant by public highway to the office of the district board and principal place of business of the district, shall be and is hereby constituted ex officio district treasurer, who shall collect all district assessments and shall keep all district funds required by law.

[1937 c 72 § 105; RRS § 9663E-105. Formerly RCW

86.08.225, part.]

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**86.09.319****Treasurer's liability.**

Any county treasurer collecting or handling funds of the district shall be liable upon his official bond and to criminal prosecution for malfeasance, misfeasance or nonfeasance in office relative to any of his duties prescribed herein.

[1937 c 72 § 107; RRS § 9663E-107. Formerly RCW

86.08.230.]

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**86.09.322****County treasurers to collect and remit assessments.**

It shall be the duty of the county treasurer of each county, in which lands included within the operation of the district are located, to collect and receipt for all assessments levied as herein provided, and forward monthly all sums so collected to the ex officio district treasurer who shall place the same to the credit of the proper fund of the district.

[1937 c 72 § 108; RRS § 9663E-108. Formerly RCW

86.08.240.]

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**86.09.325****Disbursement of funds by district treasurer.**

The ex officio district treasurer shall pay out moneys collected or deposited with him in behalf of the district, or portions thereof, upon warrants issued by the county auditor against the proper funds of the districts, except the sums to be paid out of the bond fund for interest and principal payments on bonds.

[1983 c 167 § 201; 1937 c 72 § 109; RRS § 9663E-109. Formerly RCW

86.08.250, part.]

**Notes:**

**Liberal construction -- Severability -- 1983 c 167:** See RCW [39.46.010](#) and note following.

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**86.09.328****Monthly report by district treasurer.**

The said ex officio district treasurer shall report in writing on or before the fifteenth day of each month to the district board, the amount of money held by him, the amount in each fund, the amount of receipts for the month preceding in each fund, and the amount or amounts paid out of each fund, and said report shall be filed with the secretary of the board.

[1937 c 72 § 110; RRS § 9663E-110. Formerly RCW

86.08.250, part.]

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**86.09.377****Voting rights.**

Each qualified voter of a flood control district who owns more than ten acres of land within the district shall be entitled to two additional votes for each ten acres or major fraction thereof located within the district, up to a maximum total of forty votes for any voter, or in the case of community property, a maximum total of twenty votes per member of the marital community.

[1991 c 349 § 4; 1985 c 396 § 22.]

**Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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**86.09.379****Elections — Informality not fatal.**

No informality in conducting any election authorized by this chapter shall invalidate the same, if the election shall have been otherwise fairly conducted.

[1937 c 72 § 127; RRS § 9663E-127. Formerly RCW

86.08.165.]

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**86.09.380****Special assessments — Budgets — Alternative methods.**

RCW

85.38.140 through 85.38.170 constitute a mutually exclusive alternative method by which flood control districts in existence as of July 28, 1985, may measure and impose special assessments and adopt budgets. RCW 85.38.150 through 85.38.170 constitute the exclusive method by which flood control districts created after July 28, 1985, may measure and impose special assessments and adopt budgets.

[1985 c 396 § 29.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

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**86.09.382**

**Assessments — Presumption that land benefited by class — Benefit ratio basis of assessment.**

It shall be and hereby is presumed that lands within flood control districts organized under the provisions of this chapter, shall be benefited in relation to their respective classes to be determined as herein provided, and that the relative ratios of benefits for said lands arising from their locations in said respective classes shall be the basis upon which the same shall be assessed to raise district revenues for any and all purposes now or hereafter authorized by law.

[1937 c 72 § 128; RRS § 9663E-128. Formerly RCW

86.08.450, part.]

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**86.09.385**

**Assessments — Base map of lands within the district.**

As a basis for the levy of all assessments authorized under this chapter, the county legislative authority of the county within which the major portion of the district is situated, soon after the creation of the district, shall cause to be prepared a base map of the lands within the district and deliver the same to the secretary of the district: PROVIDED, That said county legislative authority shall not be required to prepare said base map unless ample appropriation of funds for the purpose has been made.

[1985 c 396 § 64; 1965 c 26 § 10; 1937 c 72 § 129; RRS § 9663E-129. Formerly RCW

86.08.420, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

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**86.09.388**

**Assessments — Appointment of appraisers — Determination of benefit ratios.**

Upon receipt of the base map the board of directors of the district shall appoint a board of three appraisers subject to the written approval of the county legislative authority of the county within which the major portion of the district is situated, whose duty it shall be to determine the ratio of benefits which the several tracts of land shall receive with respect to each other from the organization and operation of the district and the construction and maintenance of the district works in accordance with the comprehensive plan therefor adopted by the directors of the district.

[1985 c 396 § 65; 1965 c 26 § 11; 1937 c 72 § 130; RRS § 9663E-130. Formerly RCW

86.08.420, part, and 86.08.430, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

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**86.09.391****Assessments — Appraisers' board, chairman and secretary — Compensation and expenses.**

The board of appraisers shall elect a member as chairman and the secretary of the district or his deputy shall be ex officio secretary of the board of appraisers. The appraisers shall receive such compensation and expenses as the board of directors of the district, with the approval of the county legislative authority of the county within which the major portion of the district is situated, shall determine, and which may forthwith be paid by the issuance of district warrants.

[1985 c 396 § 66; 1937 c 72 § 131; RRS § 9663E-131. Formerly RCW

86.08.420, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

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**86.09.394****Assessments — Classification of lands according to benefits — Factors considered.**

For the purpose of determining said ratios of benefits, said board of appraisers shall segregate the acreage of the respective lands within the district into such number of classes as in the sole judgment of the members of the board of appraisers shall fairly represent the manifest degrees of benefits, including benefits from better sanitation, easier accessibility, facility of drainage, promotion of land development as well as from minimization of flood damages and from actual flood protection, accruing to the several lands from the organization and operation of the district and the construction and maintenance of the district works in accordance with the comprehensive plan therefor adopted by the directors of the district.

[1937 c 72 § 132; RRS § 9663E-132. Formerly RCW

86.08.440, part.]

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**86.09.397****Assessments — Classification of lands by appraisers — Classes described.**

Said board of appraisers shall have full authority and it shall be its duty to segregate and classify the acreage of the lands and subdivisions of the same with respect to their respective relative benefits received and to be received from the organization and operation of the district and the construction and maintenance of the district works in accordance with the comprehensive plan therefor adopted by the directors of the district. Those lands receiving the greatest benefits shall be placed in class No. 1; those lands receiving the next greatest benefits shall be placed in class No. 2, and so on down to the class of the least benefits. Those lands receiving no benefits shall be designated "nonbenefited."

[1937 c 72 § 133; RRS § 9663E-133. Formerly RCW

86.08.430, part.]

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**86.09.400****Assessments — Percentage of benefits to lands as classed — Relative ratios.**

Said board of appraisers shall have full authority and it shall be its duty to determine the percentage of benefits which the acreage of the lands in each class shall have with respect to the lands in class No. 1. Those lands falling in class No. 1 shall have the ratio or percentage of one hundred and those lands in the other respective classes shall be given such percentages of the lands in class No. 1 as said board of appraisers shall determine.

[1937 c 72 § 134; RRS § 9663E-134. Formerly RCW

86.08.430, part.]

**86.09.403****Assessments — Surveys, investigations to determine classification and benefits.**

In determining the classification of said lands and their relative percentages of benefits, as herein provided, said board of appraisers shall consider the benefits of every kind accruing to said lands, as aforesaid, and shall make such investigation and surveys of the same as said board of appraisers shall deem necessary. The board of appraisers shall also examine and consider the data and records of the commission which fixed the boundaries of the district.

[1937 c 72 § 135; RRS § 9663E-135. Formerly RCW

86.08.440, part.]

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**86.09.406****Assessments — Permanency of ratios of benefits as fixed.**

The ratio of percentage determined by said board of appraisers for each class of lands aforesaid shall constitute the ratio of benefits of each acre or fraction thereof in its respective class for all district assessment purposes until changed in the manner herein provided.

[1937 c 72 § 136; RRS § 9663E-136. Formerly RCW

86.08.450, part.]

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**86.09.409****Assessments — Alternative method of determining benefit ratios.**

As an independent and alternative method to any other method herein authorized and subject to the prior written approval of the county legislative authority of the county within which the major portion of the district is situated, the ratio of benefits herein mentioned may be determined in their relation to the relative values of the respective benefited lands, including the improvements thereon, and the same shall be expressed on a relative percentage basis.

[1985 c 396 § 67; 1937 c 72 § 137; RRS § 9663E-137. Formerly RCW

86.08.460, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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**86.09.412****Assessments — Alternative method, percentage shall fix the class.**

In case said alternative method of determining the ratio of benefits is adopted by any such district the percentage given a tract of land shall fix the class to which said tract belongs for assessment purposes.

[1937 c 72 § 138; RRS § 9663E-138. Formerly RCW

86.08.460, part.]

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**86.09.415****Assessments — Determining relative values — General tax rolls.**

In determining the relative values of such lands, including improvements thereon, the assessed valuation of the same for general tax purposes last equalized shall be construed to be prima facie correct: PROVIDED, That nothing herein contained shall be construed to prevent the fixing of values where none are shown on the general tax roll or the revision of such values on the general tax roll in any instance where in the sole judgment of the revising officers for the district the value for general tax purposes is manifestly and grossly erroneous in its relation to value of like property in the district similarly situated: AND PROVIDED FURTHER, That in any instance where any tract of land is protected or partially protected from floods and is

financially supporting the works affording such protection the revising officers for the district shall take the value of such existing flood protection into consideration and give such land equitable credit therefor.

[1937 c 72 § 139; RRS § 9663E-139. Formerly RCW

86.08.460, part.]

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#### **86.09.418**

##### **Assessments — Revision of benefit classification — Appointment of reappraisers — Effect of reexamination.**

Upon completion of the control works of the district or of any unit thereof, the board of directors of the district may, with the written consent of the county legislative authority of the county within which the major portion of the district is situated, and upon petition signed by landowners representing twenty-five percent of the acreage of the lands in the district shall, appoint three qualified persons who shall be approved in writing by the county legislative authority, to act as a board of appraisers and who shall reconsider and revise and/or reaffirm the classification and relative percentages, or any part or parts thereof, in the same manner and with the same legal effect as that provided herein for the determination of such matters in the first instance: PROVIDED, That such reexamination shall have no legal effect on any assessments regularly levied prior to the order of appraisal by the reexamining board of appraisers.

[1985 c 396 § 68; 1937 c 72 § 140; RRS § 9663E-140. Formerly RCW

86.08.470, part.]

##### **Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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#### **86.09.421**

##### **Assessments — Descriptions of lands as appraised and classified — Map and filing thereof.**

When said board of appraisers shall have made said determination of the ratio of benefits, as aforesaid, all the lands within the district shall be classified and properly designated and shall be described in terms of government sections, and fractions thereof in designated townships and ranges, on the base map, and the board of appraisers shall file said map with the secretary of the district: PROVIDED, That platted lands may be described in terms of the recorded plat thereof.

[1937 c 72 § 141; RRS § 9663E-141. Formerly RCW

86.08.470, part.]

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#### **86.09.424**

##### **Assessments — Hearing on objections to assessment ratios — Time — Place.**

The secretary of the district shall immediately fix a time for hearing objections to the assessment ratios determined by said board of appraisers as shown on said base map. The meeting shall be at the office of the district board and principal place of business of the district and shall be held not less than twenty-five, nor more than thirty-five, days from the date of the first publication of the notice of the hearing.

[1937 c 72 § 142; RRS § 9663E-142. Formerly RCW

86.08.475, part.]

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#### **86.09.427**

##### **Assessments — Notice of hearing, publication.**

Notice of said hearing shall be given by the secretary of the district by causing a copy of the same to be published for three consecutive weekly issues in a newspaper of general circulation, to be selected by said secretary, published in each of the counties in which any part of the district is located.

[1937 c 72 § 143; RRS § 9663E-143. Formerly RCW

86.08.475, part.]

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### 86.09.430

#### Assessments — Contents of notice of hearing.

Said notice of hearing on said determination of assessment ratios shall state that the base assessment map designating the classes in which the lands in the district have been placed for assessment purposes on the ratios authorized by law, has been prepared by the board of appraisers and is on file at the office of the district board and may be inspected at any time during office hours; that a hearing on said map will be held before the county legislative authority at the office of the district board on . . . . ., the . . . . day of . . . . ., . . . . ., at the hour of . . . . . o'clock (naming the time), where any person may appear and present such objections, if any, he may have to said map, and shall be signed by the secretary of the district.

[1986 c 278 § 43; 1937 c 72 § 144; RRS § 9663E-144. Formerly RCW

86.08.480.]

#### Notes:

**Severability -- 1986 c 278:** See note following RCW [36.01.010](#).

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### 86.09.433

#### Assessments — Conduct of hearing — Order.

At the time set for said hearing the county legislative authority shall be present at the place designated in the notice and if it appears that due notice of the hearing has been given, shall proceed to hear such objections to the base map as shall be presented and shall hear all pertinent evidence that may be offered. The county legislative authority shall have authority to adjourn said hearings from time to time to study the record and evidence presented, to make such independent investigation as it shall deem necessary and to correct, modify or confirm the things set out on said base map or any part thereof and to determine all questions concerning the matter and shall finally make an order confirming said map with such substitutions, changes or corrections, if any, as may have been made thereon, which order shall be signed by the chairman of the county legislative authority and attached to said map.

[1985 c 396 § 69; 1937 c 72 § 145; RRS § 9663E-145. Formerly RCW

86.08.485, part.]

#### Notes:

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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### 86.09.439

#### Assessments — Conclusiveness of base assessment map.

Upon the signing of said order by said county legislative authority and the attachment of the same to said base assessment map, said base assessment map and all things set out on the face thereof shall be conclusive in all things upon all parties, unless appealed from to the superior court in the manner and within the time herein provided.

[1986 c 278 § 44; 1937 c 72 § 147; RRS § 9663E-147. Formerly RCW

86.08.485, part.]

#### Notes:

**Severability -- 1986 c 278:** See note following RCW [36.01.010](#).

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**86.09.442****Assessments — Copies of base assessment map to be filed with county assessors.**

When confirmed by order of said county legislative authority as aforesaid, or by order of said county legislative authority making any changes decreed by the court on appeal to the superior court, it shall be the duty of the secretary of the district to prepare a correct copy of so much of said base assessment map as includes the lands in the district situated in each county in which the lands in the district are situated, with the assessment classes and ratios properly designated thereon, and file the same with the respective county assessors of said counties for record therein.

[1985 c 396 § 70; 1937 c 72 § 148; RRS § 9663E-148. Formerly RCW

86.08.500, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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**86.09.445****Assessments — Levies to be made according to base assessment map.**

Assessments made against the respective lands in the district to carry out any of the purposes of this chapter shall be levied in accordance with their respective classifications and in proportion to their respective ratios of benefits, set out on the base assessment map.

[1937 c 72 § 149; RRS § 9663E-149. Formerly RCW

86.08.500, part.]

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**86.09.448****Assessments — Appeal to courts.**

Any person, firm or corporation feeling aggrieved at any determination by said county legislative authority of the classification or relative percentage of his or its lands, aforesaid, may have the same reviewed by a proceeding for that purpose, in the nature of an appeal, initiated in the superior court of the county in which the land affected is situated. The matter shall be heard and tried by the court and shall be informal and summary but full opportunity to be heard and present evidence shall be given before judgment is pronounced.

[1985 c 396 § 71; 1937 c 72 § 150; RRS § 9663E-150. Formerly RCW

86.08.490, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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**86.09.451****Assessments — Notice of appeal.**

No such appeal shall be entertained by the court unless notice of the same containing a statement of the substance of the matter complained of and the manner in which the same injuriously affects the appellant's interests shall have been served personally or by registered mail, upon the county legislative authority of the county within which the major portion of the district is situated, and upon the secretary of the district, within twenty days following the date of the determination appealed from.

[1985 c 396 § 72; 1937 c 72 § 151; RRS § 9663E-151. Formerly RCW

86.08.490, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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**86.09.454****Assessments — Appeal — Stay bond, when required.**

No bond shall be required unless a stay is desired, and an appeal shall not be a stay, unless within five days following the service of notice of appeal aforesaid, a bond shall be filed in an amount to be fixed by the court and with sureties satisfactory to the court, conditioned to perform the judgment of the court.

[1937 c 72 § 152; RRS § 9663E-152. Formerly RCW

86.08.490, part.]

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**86.09.457****Assessments — Civil practice to apply — Costs, liability of district.**

Costs shall be paid as in civil cases brought in the superior court, and the practices in civil cases shall apply: PROVIDED, That any costs awarded against said county legislative authority shall be in its official capacity only and shall be against and paid by the district.

[1985 c 396 § 73; 1937 c 72 § 153; RRS § 9663E-153. Formerly RCW

86.08.495, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

Civil practice generally: Title 4 RCW; Rules of court.

Costs, generally: Chapter 4.84 RCW.

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**86.09.460****Assessments — Appeal from superior to supreme court.**

An appeal shall lie from the judgment of the superior court as in other civil cases.

[1937 c 72 § 154; RRS § 9663E-154. Formerly RCW

86.08.495, part.]

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**86.09.463****Assessments — County legislative authority's determination deemed prima facie correct on appeal.**

In all said appeals from the determination of said county legislative authority, as herein provided, said determination and all parts thereof shall be deemed to be prima facie correct.

[1985 c 396 § 74; 1937 c 72 § 155; RRS § 9663E-155. Formerly RCW

86.08.490, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

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**86.09.466****Assessments — District budget — Approval — Basis for assessment roll.**

The secretary of the district on or before the first day of November in each year shall estimate the amount of money necessary to be raised for any and all district purposes during the ensuing year based upon a budget furnished him by the district board and submit the same to the county legislative authority of the county within which the major portion of the district is situated for its suggestions, approval and revision and upon the approval of the budget by said county legislative authority, either as originally submitted or as revised, the secretary shall prepare an assessment roll with appropriate headings in which must be listed all the lands in each assessment classification shown on the base assessment map.

[1985 c 396 § 75; 1937 c 72 § 156; RRS § 9663E-156. Formerly RCW

86.08.510, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

**86.09.469****Assessments — Assessment roll, contents — Headings.**

On such assessment roll in separate columns, must be specified under the appropriate headings:

(1) The reputed owner of the property assessed. If the reputed owner is not known to the secretary, the reputed owner may be stated as "unknown";

(2) The description of the land of the reputed or unknown owner sufficiently definite to identify the land. Where the land is described in the records of the county assessor's office in terms of the assessor's plat tax number, such designation shall be sufficient description of such land on the district's assessment roll. In instances where the district has adopted the alternative method of determining the ratio of benefits as herein authorized the secretary shall annually revise and specify in an appropriate column on the roll the cash value of the respective tracts of lands, including improvements thereon, described on the roll;

(3) The estimated assessable acreage of such respective lands;

(4) The designated classification and their respective ratios of benefits shown on the base assessment map in which the land is situated, with the per acre final ratio or percentage upon which every acre or fraction thereof of the respective lands are to be charged with assessments;

(5) The total amount of the assessment in dollars and cents against each tract of land.

[1937 c 72 § 157; RRS § 9663E-157. Formerly RCW

86.08.520, part.]

**86.09.472****Assessments — Margin for anticipated delinquencies.**

For the purpose of apportioning the amount of money to be raised by assessment, to the several tracts of land in accordance with their respective classifications, the secretary shall add to the amount of money to be raised fifteen percent thereof for anticipated delinquencies.

[1937 c 72 § 158; RRS § 9663E-158. Formerly RCW

86.08.510, part.]

**86.09.475****Assessments — How calculated.**

In calculating the amount of assessments to be charged against the respective tracts of land included in the annual district assessment roll, the per acre charge against the lands in class No. 1 on the base map shall be taken as one hundred percent

and the per acre charge against the lands in other classes shall be reckoned on their respective final per acre percentages of the per acre assessment against the lands in said class No. 1.

[1937 c 72 § 159; RRS § 9663E-159. Formerly RCW

86.08.530.]

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**86.09.478**  
**Assessments — Omitted property may be back-assessed.**

Any property which may have escaped assessment for any year or years, shall in addition to the assessment for the then current year, be assessed for such year or years with the same effect and with the same penalties as are provided for such current year and any property delinquent in any year may be directly assessed during the current year for any expenses caused the district on account of such delinquency.

[1937 c 72 § 160; RRS § 9663E-160. Formerly RCW

86.08.550.]

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**86.09.481**  
**Assessments — Lands in more than one county.**

Where the district embraces lands lying in more than one county the assessment roll shall be so arranged that the lands lying in each county shall be segregated and grouped according to the county in which the same are situated.

[1937 c 72 § 161; RRS § 9663E-161. Formerly RCW

86.08.520, part.]

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**86.09.484**  
**Equalization of assessments — Notice and time for meeting of board of equalization.**

Upon completion of the assessment roll the secretary shall deliver the same to the district board and immediately give notice thereof and of the time the board of directors, acting as a board of equalization will meet to equalize assessments, by publication in a newspaper published in each of the counties comprising the district. The time fixed for the meeting shall not be less than twenty nor more than thirty days from the first publication of the notice, and in the meantime the assessment roll must remain in the office of the secretary for the inspection of all persons interested.

[1937 c 72 § 162; RRS § 9663E-162. Formerly RCW

86.08.540, part.]

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**86.09.487**  
**Equalization of assessments — Meeting of directors as board, length of time — Completion of roll.**

Upon the day specified in the notice required by the preceding section for the meeting, the board of directors, which is hereby constituted a board of equalization for that purpose, shall meet and continue in session from day to day as long as may be necessary, not to exceed ten days, exclusive of Sundays, to hear and determine such objections to the said assessment roll as may come before them; and the board may decide the same. The secretary of the board shall be present during its session, and note all changes made at said hearing, and on or before the fifteenth day of January thereafter shall have the assessment roll completed as finally equalized by the board.

[1937 c 72 § 163; RRS § 9663E-163. Formerly RCW

86.08.540, part.]

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**86.09.489****Levy where total assessment less than two dollars.**

When the assessment roll is completed as finally equalized by the board of directors and the total assessment against any tract or contiguous tracts owned by one person or corporation is less than two dollars, the county treasurer shall levy such a minimum amount of two dollars against such tract or contiguous tracts.

[1965 c 26 § 13.]

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**86.09.490****Assessment lien — Priority.**

The assessment upon real property shall be a lien against the property assessed, from and after the first day of January in the year in which the assessment becomes due and payable, but as between grantor and grantee such lien shall not attach until the county treasurer has completed the property tax roll for the current year's collection and provided the notification required by RCW

**84.56.020.** The lien shall be paramount and superior to any other lien theretofore or thereafter created, whether by mortgage or otherwise, except a lien for undelinquent flood control district assessments, diking or drainage, or diking or drainage improvement, district assessments and for unpaid and outstanding general ad valorem taxes, and such lien shall not be removed until the assessments are paid or the property sold for the payment thereof as provided by law.

[2009 c 350 § 3; 1937 c 72 § 164; RRS § 9663E-164. Formerly RCW 86.08.560, part.]

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**86.09.493****Payment of assessment — Date of delinquency — Notice to pay — Assessment book — Statements.**

On or before the fifteenth day of January in each year the secretary must deliver the assessment roll or the respective segregations thereof to the county treasurer of each respective county in which the lands described are located, with a statement of the amounts and/or percentages of the collections on said roll which shall be apportioned to the respective district funds, and said assessments shall become due and payable at the time or times general taxes accrue payable.

One-half of all assessments on said roll shall become delinquent on the first day of June following the filing of the roll unless said one-half is paid on or before the thirty-first day of May of said year, and the remaining one-half shall become delinquent on the first day of December following, unless said one-half is paid on or before the thirtieth day of November. All delinquent assessments shall bear interest at the rate of ten percent per annum from the date of delinquency until paid.

Within twenty days after the filing of the assessment roll as aforesaid the respective county treasurers shall each publish a notice in a newspaper published in their respective counties in which any portion of the district may lie, that said assessments are due and payable at the office of the county treasurer of the county in which said land is located and will become delinquent unless paid as herein provided. Said notice shall state the dates of delinquency as fixed in this chapter and the rate of interest charged thereon and shall be published once a week for four successive weeks and shall be posted within said period of twenty days in some public place in said district in each county in which any portion of the district is situated.

Upon receiving the assessment roll, the county treasurer shall prepare therefrom an assessment book in which shall be written the description of the land as it appears in the assessment roll, the name of the owner or owners where known, and if assessed to the unknown owners, then the word "unknown", and the total assessment levied against each tract of land. Proper space shall be left in said book for the entry therein of all subsequent proceedings relating to the payment and collection of said assessments.

Upon payment of any assessment the county treasurer must enter the date of said payment in said assessment book opposite the description of the land and the name of the person paying, and give a receipt to such person specifying the amount of the assessment and the amount paid with the description of the property assessed.

It shall be the duty of the county treasurer of the county in which any land in the district is located to furnish upon request of the owner, or any person interested, a statement showing any and all assessments levied as shown by the assessment roll in his office upon land described in such request, and all statements of general taxes covering any land in the district shall be accompanied by a statement showing the condition of district assessments against such lands: PROVIDED, That the failure of the county treasurer to render any statement herein required of him shall not render invalid any assessments made by any district or proceedings had for the enforcement and collection of district assessments pursuant to this chapter.

[1937 c 72 § 165; RRS § 9663E-165. Formerly RCW

86.08.540, part, 86.08.560, part, and 86.08.570.]

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**86.09.496****Delinquency list — Posting and publication.**

On or before the thirty-first day of December of each year, the county treasurer of the county in which the land is located shall cause to be posted the delinquency list which must contain the names of persons to whom the property is assessed and a description of the property delinquent and the amount of the assessment and costs due, opposite each name and description.

He must append to and post with the delinquency list a notice that unless the assessments delinquent, together with costs and accrued interest, are paid, the real property upon which such assessments are a lien will be sold at public auction. The said notice and delinquent list shall be posted at least twenty days prior to the time of sale. Concurrent as nearly as possible with the date of the posting aforesaid, the said county treasurer shall publish the location of the place where said notice is posted and in connection therewith a notice that unless delinquent assessments together with costs and accrued interest are paid, the real property upon which such assessments are a lien will be sold at public auction. Such notice must be published once a week for three successive weeks in a newspaper of general circulation published in the county within which the land is located; but said notice of publication need not comprise the delinquent list where the same is posted as herein provided. Both notices must designate the time and place of sale. The time of sale must not be less than twenty-one nor more than twenty-eight days from the date of posting and from the date of the first publication of the notice thereof, and the place must be at some point designated by the treasurer.

[1937 c 72 § 166; RRS § 9663E-166. Formerly RCW

86.08.580.]

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**86.09.499****Sale for delinquent assessments — Postponement.**

The treasurer of the county in which the land is situated shall conduct the sale of all lands situated therein and must collect in addition to the assessment due as shown on the delinquent list the costs and expenses of sale and interest at the rate of ten percent per annum from the date or dates of delinquency as hereinbefore provided. On the day fixed for the sale, or some subsequent day to which he may have postponed it, and between the hours of ten o'clock a.m. and three o'clock p.m., the county treasurer making the sale must commence the same, beginning at the head of the list, and continuing alphabetically, or in the numerical order of the parcels, lots or blocks, until completed. He may postpone the day of commencing the sale, or the sale from day to day, by giving oral notice thereof at the time of the postponement, but the sale must be completed within three weeks from the first day fixed.

[1937 c 72 § 167; RRS § 9663E-167. Formerly RCW

86.08.590.]

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**86.09.502****Sale for delinquent assessments — How conducted — Certificate of sale — District as purchaser — Fee.**

The owner or person in possession of any real estate offered for sale for assessments due thereon may designate in writing to the county treasurer, by whom the sale is to be made, and prior to the sale, what portion of the property he wishes sold, if less than the whole; but if the owner or possessor does not, then the treasurer may designate it, and the person who will take the least quantity of the land, or in case an undivided interest is assessed, then the smallest portion of the interest, and pay the assessment and costs due, including one dollar to the treasurer for duplicate of the certificate of sale, is the purchaser. The treasurer shall account to the district for said one dollar. If the purchaser does not pay the assessment and costs before ten o'clock a.m. the following day, the property must be resold on the next sale day for the assessments and costs. In case there is no purchaser in good faith for the same on the first day that the property is offered for sale, and if there is no purchaser in good faith when the property is offered thereafter for sale, the whole amount of the property assessed shall be struck off to the district as the purchaser, and the duplicate certificate shall be delivered to the secretary of the district, and filed by him in the office of the district. No charge shall be made for the duplicate certificate where the district is the purchaser, and in such case the treasurer shall make an entry, "Sold to the district", and he will be credited with the amount thereof in settlement. The district, as a purchaser at said sale, shall be entitled to the same rights as a private purchaser, and may assign or transfer the certificate of sale upon the payment of the amount which would be due if redemption were being made by the owner. If no redemption is made of land for which the district holds a certificate of purchase, the district will be entitled to receive the treasurer's deed therefor in the same manner as a private person would be entitled thereto.

After receiving the amount of assessments and costs, the county treasurer must make out in duplicate a certificate, dated on the day of sale, stating (when known) the names of the persons assessed, a description of the land sold, the amount paid therefor, that it was sold for assessments, giving the amount and the year of assessment, and specifying the time when the purchaser will be entitled to a deed. The certificate must be signed by the treasurer making the sale and one copy delivered to the purchaser, and the other filed in the office of the county treasurer of the county in which the land is situated: PROVIDED, That upon the sale of any lot, parcel or tract of land not larger than an acre, the fee for a duplicate certificate shall be twenty-five cents and in case of a sale to a person or a district, of more than one parcel or tract of land, the several parcels or tracts may be included in one certificate.

[1937 c 72 § 168; RRS § 9663E-168. Formerly RCW

86.08.600.]

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### **86.09.505**

#### **Sale for delinquent assessments — Entries in assessment book — Book open to inspection — Lien vested in purchaser.**

The county treasurer, before delivering any certificate must file the same and enter in the assessment book opposite the description of the land sold, the date of sale, the purchaser's name and the amount paid therefor, and must regularly number the description on the margin of the assessment book and put a corresponding number on each certificate. Such book must be open to public inspection without fee during office hours, when not in actual use.

On filing the certificate of sale as provided in the preceding paragraph, the lien of the assessment vests in the purchaser and is only divested by the payment to the county treasurer making the sale of the purchase money and interest at the rate of ten percent per annum, from the day of sale until redemption for the use of the purchaser.

[1937 c 72 § 169; RRS § 9663E-169. Formerly RCW

86.08.610.]

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### **86.09.508**

#### **Sale for delinquent assessments — Redemption, when and how made.**

A redemption of the property sold may be made by the owner or any person on behalf and in the name of the owner or by any party in interest at any time before deed issues, by paying the amount of the purchase price and interest as in this chapter provided, and the amount of any assessments which such purchaser may have paid thereon after purchase by him and during the period of redemption in this section provided, together with like interest on such amount, and if the district is the purchaser, the redemptioner shall not be required to pay the amount of any district assessment levied subsequent to the assessment for which said land was sold, but all subsequent and unpaid assessments levied upon said land to the date of such redemption shall remain a lien and be payable and the land be subject to sale and redemption at the times applicable to such subsequent annual district assessment. Redemption must be made in legal tender, as provided for the collection of state and county taxes, and the county treasurer must credit the amount paid to the person named in the certificate and pay it on demand to such person or his assignees. No redemption shall be made except to the county treasurer of the county in which the land is situated.

[1937 c 72 § 170; RRS § 9663E-170. Formerly RCW

86.08.620.]

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### **86.09.511**

#### **Sale for delinquent assessments — Entry of redemption — Deed on demand if not redeemed in two years — Fee.**

Upon completion of redemption, the county treasurer to whom redemption has been made shall enter the word "redeemed", the date of redemption and by whom redeemed on the certificate and on the margin of the assessment book where the entry of the certificate is made. If the property is not redeemed within two years, after the fifteenth day of January of the year in which such property was sold, the county treasurer of the county in which the land sold is situated must thereafter, upon demand of the owner of the certificate of sale, make to the purchaser, or his assignees a deed of the property, reciting in the deed substantially the matters contained in the certificate, and that no person redeemed the property during the time allowed by law for its redemption. The treasurer shall receive from the purchaser, for the use of the district, one dollar for making such

deed: PROVIDED, If redemption is not made of any lot, parcel or tract of land not larger than one acre, the fee for a deed shall be twenty-five cents and when any person or district holds a duplicate certificate covering more than one tract of land, the several parcels, or tracts of lands, mentioned in the certificate may be included in one deed.

[1937 c 72 § 171; RRS § 9663E-171. Formerly RCW

86.08.630.]

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#### **86.09.514**

##### **Sale for delinquent assessments — Effect and validity of deed.**

The matter recited in the certificate of sale must be recited in the deed, and such deed duly acknowledged or proved is prima facie evidence that:

First. The property was assessed as required by law.

Second. The property was equalized as required by law.

Third. That the assessments were levied in accordance with law.

Fourth. The assessments were not paid.

Fifth. At a proper time and place the property was sold as prescribed by law and by the proper officers.

Sixth. The property was not redeemed.

Seventh. The person who executed the deed was the proper officer.

Such deed, duly acknowledged or proved, is (except as against actual fraud) conclusive evidence of the regularity of all the proceedings from the assessments by the secretary, inclusive, up to the execution of the deed. The deed conveys to the grantee the absolute title to the lands described therein, free from all incumbrances except the lien of outstanding general ad valorem taxes and of unmatured special assessments. When title to the land is in the United States or this state, such deed shall be prima facie evidence of the right of possession.

[1937 c 72 § 172; RRS § 9663E-172. Formerly RCW

86.08.640, part.]

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#### **86.09.517**

##### **Sale for delinquent assessments — Mistake, misnomer does not affect sale.**

When land is sold for assessments correctly imposed, as the property of a particular person, no misnomer of the owner or supposed owner, or other mistake relating to the ownership thereof, affects the sale or renders it void or avoidable.

[1937 c 72 § 173; RRS § 9663E-173. Formerly RCW

86.08.640, part.]

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#### **86.09.520**

##### **District lands exempt from general taxes — Leasing, application of proceeds.**

All unsold lands owned by the district shall be exempt from general ad valorem taxes while title to same remains in the district. The district shall not be authorized to lease any of its lands for a term longer than one year, and the proceeds for such lease shall first be applied on account of outstanding ad valorem tax liens, if any.

[1937 c 72 § 174; RRS § 9663E-174. Formerly RCW

86.08.650.]

**86.09.523****Liability of city, town or subdivision for benefits to roads, streets, or sewer systems.**

Whenever any system of improvement constructed under the provisions of this chapter results in benefit to the whole or any part of a public street or road, street or road bed or track thereof within the district, or will facilitate the construction or maintenance of any sewer system in any city or town within the district, the city, town or subdivision or any of them responsible for the maintenance of said public road, street or sewer, shall be liable for assessment for any or all district purposes.

[1937 c 72 § 175; RRS § 9663E-175. Formerly RCW

86.08.660, part.]

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**86.09.526****Liability of public and private lands for benefits.**

All school, granted, and other state lands, and lands owned by the United States, when legally possible, and all county, city and other municipally owned property, not used for governmental purposes, and all privately owned lands within the corporate limits of any county, school district, city or other municipal corporation included within the operation of the district and benefited by the district improvement, shall be liable for assessment as provided herein for other property.

[1937 c 72 § 176; RRS § 9663E-176. Formerly RCW

86.08.660, part.]

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**86.09.529****Assessment payment by city, county, subdivision — Payment by state for highway benefit.**

Assessments charged to any city, town, county, or subdivision thereof shall be paid from any fund of the city, town, county, or subdivision, as its governing body determines. Assessments charged on account of benefits to state highways shall be approved by the secretary of transportation and shall be paid from the state motor vehicle fund.

[1984 c 7 § 379; 1937 c 72 § 177; RRS § 9663E-177. Formerly RCW

86.08.660, part.]

**Notes:**

**Severability -- 1984 c 7:** See note following RCW [47.01.141](#).

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**86.09.532****District funds — Created.**

There are hereby created for district purposes the following special funds: (1) Expense fund, (2) surplus fund, (3) suspense fund, (4) general bond fund, (5) utility bond fund, (6) contract fund.

[1937 c 72 § 178; RRS § 9663E-178. Formerly RCW

86.08.670.]

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**86.09.535****District funds — Expense fund — Composition — Use.**

All assessments collected for administrative, operative and maintenance purposes, all money collected and not otherwise provided for, and any transfers authorized by law from other funds made specifically to the fund, shall be placed by the county treasurer, ex officio treasurer of the district, in the expense fund, and it shall be the duty of the district board to make ample provision for the requirements of this fund by the levy of assessments or by the use of other revenues of the district.

[1937 c 72 § 179; RRS § 9663E-179. Formerly RCW

86.08.675.]

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**86.09.538**  
**District funds — Surplus fund — Composition — Use.**

The district shall have authority at its option of turning any district revenues not probably required during the current year to the surplus fund by adopting a resolution to that effect and filing a copy of the same with the county treasurer in charge of such fund. For this purpose unrequired moneys may be transferred from other funds, except from either of the two bond funds.

Assessments, not exceeding twenty percent of the total levy for a given year, may be levied for the purpose of supplying moneys for the surplus fund.

The surplus fund may be used for any district purpose authorized by law, by resolution of the board of directors specifying said purpose, and the duration of such use.

[1937 c 72 § 180; RRS § 9663E-180. Formerly RCW

86.08.680.]

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**86.09.541**  
**District funds — Suspense fund — Composition — Use.**

All district indebtedness, not otherwise provided for, which has not been or will not be paid on substantially a cash basis, shall be paid from the suspense fund and it shall be the duty of the district board to make ample provision for the requirements of this fund by the levy of assessments or by the use of other revenues of the district, authorized by law to be used for this purpose.

[1937 c 72 § 181; RRS § 9663E-181. Formerly RCW

86.08.685.]

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**86.09.544**  
**District funds — General bond fund — Composition — Use.**

Moneys in the general bond fund shall be used exclusively for the payment of outstanding general obligation bonds of the district with interest thereon according to their terms. It shall be the duty of the district board to make ample provision for the requirements of this fund by the levy of assessments and/or by the use of other district revenues, authorized by law to be used for this purpose.

[1937 c 72 § 182; RRS § 9663E-182. Formerly RCW

86.08.695.]

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**86.09.547**  
**District funds — Utility bond fund — Composition — Use.**

Revenues from the use, sale or lease of water and/or other service furnished by the district to the extent pledged to the payment of district utility bonds, as herein provided, shall be placed in the utility bond fund and used exclusively for the payment of such bonds with interest according to their terms.

[1937 c 72 § 183; RRS § 9663E-183. Formerly RCW

86.08.700.]

**86.09.550****District funds — Contract fund — Composition — Use.**

The proceeds from bond sales and revenues from other sources authorized by law to be used for district contract purposes shall be placed in the contract fund and shall be used for the purposes for which the bonds were issued or for which any other contract was entered into by the district.

[1937 c 72 § 184; RRS § 9663E-184. Formerly RCW

86.08.690.]

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**86.09.553****District funds — Custody and disbursement.**

All district moneys shall be paid to the county treasurer having charge of the district funds and by that officer disbursed in the manner provided by law.

[1937 c 72 § 185; RRS § 9663E-185. Formerly RCW

86.08.710, part.]

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**86.09.556****Claims against district.**

Any claim against the district shall be presented to the district board for allowance or rejection. Upon allowance, the claim shall be attached to a voucher verified by the claimant or his agent and approved by the chairman of the board and countersigned by the secretary and directed to the county auditor of the county in which the office of the district treasurer is located, for the issuance of a warrant against the proper fund of the district in payment of said claim.

[1937 c 72 § 186; RRS § 9663E-186. Formerly RCW

86.08.720, part.]

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**86.09.559****Claims against district — For administrative expenses, cost, maintenance — Payroll.**

Claims against the district for administrative expenses and for the costs of operation and maintenance of the system of improvement, shall be allowed by the district board and presented to the county auditor with proper vouchers attached for the issuance of warrants against the expense fund of the district. The payroll of the district shall be verified by the foreman in charge and may be presented in one claim for the individual claimants involved. The warrants for said claim shall be issued in the name of the individual claimants, but may be receipted for by said foreman.

[1937 c 72 § 187; RRS § 9663E-187. Formerly RCW

86.08.720, part.]

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**86.09.562****District funds paid by warrant — Exception.**

Said county treasurer shall pay out the moneys received or deposited with him or any portion thereof upon warrants issued by the county auditor of the same county of which the district treasurer is an officer against the proper funds of the district except the sums to be paid out of the special funds for interest and principal payments on bonds or notes.

[1986 c 278 § 45; 1983 c 167 § 202; 1937 c 72 § 188; RRS § 9663E-188. Formerly RCW

86.08.710, part.]

**Notes:**

**Severability -- 1986 c 278:** See note following RCW [36.01.010](#).

**Liberal construction -- Severability -- 1983 c 167:** See RCW [39.46.010](#) and note following.

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**86.09.565****Warrants paid in order of issuance.**

Warrants drawn on any district fund shall be paid from any moneys in said fund in the order of their issuance.

[1937 c 72 § 189; RRS § 9663E-189. Formerly RCW

[86.08.710](#), part.]

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**86.09.592****Utility revenue bonds — Authorized.**

In any instance where the district is using, selling or leasing water for beneficial purposes or furnishing other service under the provisions of this chapter and there is reasonable certainty of a permanent fixed income from this source, the district board, upon previous written approval of the county legislative authority of the county within which the major portion of the district is situated, shall have authority to pledge the revenues derived from a fixed proportion of the gross income thus obtained and to issue bonds of the district payable from the utility bond fund and to sell the same to raise money for district purposes.

[1985 c 396 § 78; 1937 c 72 § 198; RRS § 9663E-198. Formerly RCW

[86.08.790](#), part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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**86.09.595****Utility revenue bonds — Limited obligation — Payment from special fund.**

Bonds payable from the utility bond fund shall not be an obligation of the district and they shall state on their face that they are payable solely from a special fund derived from a certain fixed proportion (naming it) of the gross income derived by the district from the sale or lease of water or from other service, as the case may be, and such fixed proportion of such gross income shall be irrevocably devoted to the payment of such bonds with interest until the same are fully paid.

[1937 c 72 § 199; RRS § 9663E-199. Formerly RCW

[86.08.790](#), part, and [86.08.800](#), part.]

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**86.09.598****Utility revenue bonds — Form, terms, interest, etc.**

(1) Said utility bonds shall be numbered consecutively, shall mature in series amortized in a definite schedule during a period not to exceed twenty years from the date of their issuance, shall be in such denominations and form and shall be payable, with annual or semiannual interest at such rate or rates and at such place as the county legislative authority of the county within which the major portion of the district is situated shall provide. Such bonds may be in any form, including bearer bonds or registered bonds as provided in RCW

[39.46.030](#).

(2) Notwithstanding subsection (1) of this section, such bonds may be issued and sold in accordance with chapter [39.46](#) RCW.

[1985 c 396 § 79; 1983 c 167 § 207; 1970 ex.s. c 56 § 94; 1969 ex.s. c 232 § 45; 1937 c 72 § 200; RRS § 9663E-200. Formerly RCW [86.08.800](#), part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

**Liberal construction -- Severability -- 1983 c 167:** See RCW 39.46.010 and note following.

**Purpose -- 1970 ex.s. c 56:** See note following RCW 39.52.020.

**Validation -- Saving -- Severability -- 1969 ex.s. c 232:** See notes following RCW 39.52.020.

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**86.09.601****Utility revenue bonds — Election to authorize.**

For the purpose of authorizing such utility bonds, an election shall be called, noticed, held and canvassed by the same officers, and in the same manner, as provided herein for the calling, noticing, holding and canvassing of an election to authorize general obligation bonds.

[1937 c 72 § 201; RRS § 9663E-201. Formerly RCW

86.08.790, part.]

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**86.09.616****Utility revenue bonds and coupons — Order of payment — When funds deficient.**

Utility bonds and interest thereon shall be paid in the order of their respective due dates and the bonds and interest of a prior issue shall carry preference in payment over those of a subsequent issue: PROVIDED, That where there is not sufficient money in the utility bond fund to pay all matured demands against the same in accordance with the preference right above mentioned, the county treasurer shall pay the interest on the bonds having the preference right of payment in their numerical order beginning with the bond having the smallest number, to the extent of the available money in the utility bond fund.

[1937 c 72 § 206; RRS § 9663E-206. Formerly RCW

86.08.800, part.]

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**86.09.619****District directors to make provision for payment — Procedure on failure of directors.**

It shall be the duty of the board of directors of the district to make adequate provision for the payment of all district bonds in accordance with their terms by levy and collection of assessments or otherwise and upon its failure so to do said levy and collection of assessments shall be made as follows:

(1) If the annual assessment roll has not been delivered to the county treasurer on or before the fifteenth day of January, he shall notify the secretary by registered mail that the roll must be delivered to him forthwith.

(2) If the roll is not delivered within ten days from the date of mailing the notice, or if the roll has not been equalized and the levy made, the treasurer shall immediately notify the county commissioners of the county in which the office of the directors is situated, and such commissioners shall cause an assessment roll for the district to be prepared and shall equalize it if necessary, and make the levy in the same manner and with like effect as if it had been made and equalized by the directors, and all expenses incident thereto shall be borne by the district.

(3) In case of neglect or refusal of the secretary to perform his duties, the district treasurer shall perform them, and shall be accountable therefor, on his official bond, as in other cases.

[1965 c 26 § 12; 1937 c 72 § 207; RRS § 9663E-207. Formerly RCW

86.08.820, part.]

**86.09.621****Special assessment bonds.**

Special assessment bonds and notes shall be issued and sold in accordance with chapter

85.38 RCW.

[1986 c 278 § 28.]

**Notes:**

**Severability -- 1986 c 278:** See note following RCW 36.01.010.

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**86.09.622****Dissolution of districts — Procedure.**

Flood control districts may be dissolved upon a favorable sixty percent vote of the electors voting at an election for that purpose called, noticed, conducted and canvassed in the manner provided in this chapter for special elections and no further district obligations shall thereafter be incurred: PROVIDED, That the election shall not abridge or cancel any of the outstanding obligations of the district, and the county legislative authority of the county within which the major portion of the district is situated shall each year at the time and in the manner provided in this chapter for the levy of district assessments, levy assessments against the lands in the district and the same shall be collected and enforced in the manner provided herein, until the outstanding obligations of the district are fully paid.

[1985 c 396 § 83; 1937 c 72 § 208; RRS § 9663E-208. Formerly RCW

86.08.830, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

Dissolution of districts: Chapter 53.48 RCW.

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**86.09.625****Dissolution of districts — When complete.**

When the obligations have been fully paid, all moneys in any of the funds of the district and all collections of unpaid district assessments shall be transferred to the general fund of the county within which the major portion of the district is situated as partial reimbursement for moneys expended and services rendered by the county for and in behalf of the district, and thereupon the county legislative authority of that county shall file a statement of the full payment of the district's obligations for record in the county auditor's office in each county in which any lands in the district were situated and thereafter the dissolution of the district shall be complete and its corporate existence ended.

[1985 c 396 § 84; 1937 c 72 § 209; RRS § 9663E-209. Formerly RCW

86.08.830, part.]

**Notes:**

**Severability -- 1985 c 396:** See RCW 85.38.900.

Reclamation revolving fund abolished, moneys transferred to reclamation revolving account: RCW 43.79.330 through 43.79.334.

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**86.09.627****Disincorporation of district located in county with a population of two hundred ten thousand or more and inactive for five years.**

See chapter

57.90 RCW.

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**86.09.700****Revision of district — Petition.**

A board may amend the district comprehensive plan of flood control, alter, reduce or enlarge the district system of improvement, within or without the district, and change the district boundaries so as to include land likely to be benefited by said amendment, alteration, reduction or enlargement by filing a petition to that effect with the county legislative authority of the county within which the major portion of the district is situated.

[1985 c 396 § 85; 1965 c 26 § 14.]

**Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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**86.09.703****Revision of district — Establishment of revised district — Review of benefits — Liability of original district — Segregation of funds.**

If funds are available the county legislative authority shall, at the expense of the county, refer the petition to the county engineer for a preliminary investigation as to the feasibility of the objects sought by the petition. If the investigation discloses that the matter petitioned for is feasible, conducive to the public welfare, consistent with a comprehensive plan of development and in the best interest of the district and will promote the purposes for which the district was organized, the county legislative authority shall so find, approve the petition, enter an order in his records declaring the establishment of the new boundaries as petitioned for, or as modified by him, and file a certified copy of the order with each county auditor, without filing fee, and with the board.

The board shall forthwith cause a review of the classifications and ratio of benefits, in the same manner and with the same effect as for the determination of such matters in the first instance.

The lands in the original district shall remain bound for the whole of the original unpaid assessment thereon for the payment of any outstanding warrants or bonds to be paid by such assessments. Until the assessments are collected and all indebtedness of the original district paid, separate funds shall be maintained for the original district and the revised district.

[1985 c 396 § 86; 1965 c 26 § 15.]

**Notes:**

**Severability -- 1985 c 396:** See RCW [85.38.900](#).

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**86.09.710****Annexation of territory — Consolidation of special districts — Suspension of operations — Reactivation.**

Flood control districts may annex territory, consolidate with other special districts, and have their operations suspended and be reactivated, in accordance with chapter

[85.38 RCW](#).

[1986 c 278 § 16.]

**Notes:**

**Severability -- 1986 c 278:** See note following RCW [36.01.010](#).

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**86.09.720**  
**Cooperative watershed management.**

\*\*\* CHANGE IN 2011 \*\*\* (SEE

1332-S.SL) \*\*\*

In addition to the authority provided in this chapter, flood control districts may participate in and expend revenue on cooperative watershed management actions, including watershed management partnerships under RCW 39.34.210 and other intergovernmental agreements, for purposes of water supply, water quality, and water resource and habitat protection and management.

[2003 c 327 § 18.]

**Notes:**

**Finding -- Intent -- 2003 c 327:** See note following RCW 39.34.190.

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**86.09.900**  
**Other statutes preserved.**

Nothing in this chapter contained shall be construed as affecting or in any wise limiting the powers of counties, cities, towns, dike districts, drainage districts, or other municipal or public agencies in the manner authorized by law to construct and maintain dikes, levees, embankments or other structures and works, or to open, deepen, straighten and otherwise enlarge natural water courses, waterways and other channels, for the purpose of protecting such organizations from overflow.

[1937 c 72 § 210; RRS § 9663E-210.]

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**86.09.910**  
**Chapter supplemental to other acts.**

Nothing in this chapter contained shall be held or construed as in any manner abridging, enlarging or modifying any statute now or hereafter existing relating to the organization, operation and dissolution of flood control districts. This chapter is intended as an independent chapter providing for a separate and an additional authority from and to any other authority now existing for the organization, operation and dissolution of flood control districts, as provided in this chapter.

[1937 c 72 § 211; RRS § 9663E-211.]

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**86.09.920**  
**Chapter liberally construed.**

The provisions of this chapter and all proceedings thereunder shall be liberally construed with a view to effect their objects.

[1937 c 72 § 212; RRS § 9663E-212.]

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**86.09.930**  
**Severability — 1937 c 72.**

If any section or provision of this chapter shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the chapter as a whole or any section, provision or part thereof not adjudged to be invalid or unconstitutional.

[1937 c 72 § 213; RRS § 9663E-213.]

Chapter 86.15 RCW  
Flood control zone districts

RCW Sections

- 86.15.001 Actions subject to review by boundary review board.
- 86.15.010 Definitions.
- 86.15.020 Zones -- Creation.
- 86.15.023 Zones not to include area in other zones.
- 86.15.025 Districts incorporating watersheds authorized -- Subzones authorized -- Creation, procedure -- Administration -- Powers.
- 86.15.030 Districts incorporating watersheds authorized -- Formation, hearing and notice.
- 86.15.035 Cooperative watershed management.
- 86.15.050 Zones -- Supervisors -- Election of supervisors.
- 86.15.055 Elected supervisors -- Compensation.
- 86.15.060 Administration.
- 86.15.070 Advisory committees.
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- 86.15.095 Zones constitute quasi municipal corporation -- Constitutional and statutory powers.
- 86.15.100 Flood control or storm water control improvements -- Authorization.
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- 86.15.170 General obligation bonds.
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- 86.15.176 Service charges authorized -- Disposition of revenue.
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- 86.15.180 Protection of public property.
- 86.15.190 Abatement of nuisances.
- 86.15.200 Flood control zones -- Consolidation, abolishment.
- 86.15.210 Transfer of property.
- 86.15.220 Planning of improvements.
- 86.15.230 Public necessity of chapter.
- 86.15.900 Severability -- Construction -- 1961 c 153.
- 86.15.910 Construction of chapter.

86.15.920 Titles not part of the chapter.

Notes:

Dissolution of inactive special purpose districts: Chapter 36.96 RCW.

Local governmental organizations, actions affecting boundaries, etc., review by boundary review board: Chapter 36.93 RCW.

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### 86.15.001

#### Actions subject to review by boundary review board.

The creation of a flood control zone district may be subject to potential review by a boundary review board under chapter 36.93 RCW. Extensions of service outside of the boundaries of a flood control zone district may be subject to potential review by a boundary review board under chapter 36.93 RCW.

[1989 c 84 § 65.]

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### 86.15.010

#### Definitions.

The definitions set forth in this section apply through this chapter.

(1) "Board" means the county legislative authority.

(2) "Flood control improvement" means any works, projects, or other facilities necessary for the control of flood waters within the county or any zone or zones.

(3) "Flood waters" and "storm waters" means any storm waste or surplus waters, including surface water, wherever located within the county or a zone or zones where such waters endanger public highways, streams and water courses, harbors, life, or property.

(4) "Participating zones" means two or more zones found to benefit from a single flood control improvement or storm water control improvement.

(5) "Storm water control improvement" means any works, projects, or other facilities necessary to control and treat storm water within the county or any zone or zones.

(6) "Supervisors" means the board of supervisors, or governing body, of a zone.

(7) "Zones" means flood control zone districts which are quasi municipal corporations of the state of Washington created by this chapter.

[1983 c 315 § 11; 1961 c 153 § 1.]

Notes:

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

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### 86.15.020

#### Zones — Creation.

The board may initiate, by affirmative vote of a majority of the board, the creation of a zone or additional zones within the county, and without reference to an existing zone or zones, for the purpose of undertaking, operating, or maintaining flood control projects or storm water control projects or groups of projects that are of special benefit to specified areas of the county. Formation of a zone may also be initiated by a petition signed by twenty-five percent of the electors within a proposed zone based on the vote cast in the last county general election. If the formation of the zone is initiated by petition, the board shall incorporate the terms of the petition in a resolution within forty days after receiving the petition from the county auditor. Thereafter, the procedures for establishing a zone shall be the same whether initiated by motion of the board or by a petition of

electors.

Petitions shall be in a form prescribed and approved by the county auditor and shall include the necessary legal descriptions and other information necessary for establishment of a zone by resolution. When the sponsors of a petition have acquired the necessary signatures, they shall present the petition to the county auditor who shall thereafter certify the sufficiency of the petition within forty-five days. If the petition is found to meet the requirements specified in this chapter, the auditor shall transmit the petition to the board for their action; if the petition fails to meet the requirements of this chapter, it shall be returned to the sponsors.

[1983 c 315 § 12; 1961 c 153 § 2.]

**Notes:**

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

**86.15.023**

**Zones not to include area in other zones.**

A board may not establish a zone including an area located in another zone unless this area is removed from the other zone, or the other zone is dissolved, as part of the action creating the new zone.

[1991 c 322 § 9.]

**Notes:**

**Findings -- Intent -- Purpose -- 1991 c 322:** See notes following RCW 86.12.200.

**86.15.025**

**Districts incorporating watersheds authorized — Subzones authorized — Creation, procedure — Administration — Powers.**

(1) The board is authorized to establish a countywide flood control zone district incorporating the boundaries of any and all watersheds located within the county which are not specifically organized into flood control zone districts established pursuant to chapter

86.15 RCW. Upon establishment of a countywide flood control zone district as authorized by this section, the board is authorized and may divide any or all of the zone so created into separately designated subzones and such subzones shall then be operated and be legally established in the same manner as any flood control zone district established pursuant to chapter 86.15 RCW.

(2) Countywide flood control zone districts shall be established pursuant to the requirements of RCW 86.15.020, 86.15.030 and \*86.15.040 as now law of [or] hereafter amended. Subzones established from countywide flood control zone districts shall be established by resolution of the board and the provisions of RCW 86.15.020, 86.15.030 and shall not apply to the establishment of such subzone as authorized by this section.

(3) Such subzones shall be operated and administered in the same manner as any other flood control zone district in accordance with the provisions of chapter 86.15 RCW.

(4) Such subzones shall have authority to exercise any and all powers conferred by the provisions of RCW 86.15.080 as now law or hereafter amended.

(5) The board shall exercise the same power, authority, and responsibility over such subzones as it exercises over flood control zone districts in accordance with the provisions of chapter 86.15 RCW as now law or hereafter amended, and without limiting the generality of this subsection, the board may exercise over such subzones, the powers granted to it by RCW 86.15.160, 86.15.170, 86.15.176 and 86.15.178 as now law or hereafter amended.

[1969 ex.s. c 195 § 1.]

**Notes:**

**\*Reviser's note:** RCW 86.15.040 was repealed by 1991 c 322 § 13.

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**86.15.030****Districts incorporating watersheds authorized — Formation, hearing and notice.**

Upon receipt of a petition asking that a zone be created, or upon motion of the board, the board shall adopt a resolution which shall describe the boundaries of such proposed zone; describe in general terms the flood control needs or requirements within the zone; set a date for public hearing upon the creation of such zone, which shall be not more than thirty days after the adoption of such resolution. Notice of such hearing and publication shall be had in the manner provided in RCW

36.32.120(7).

At the hearing scheduled upon the resolution, the board shall permit all interested parties to be heard. Thereafter, the board may reject the resolution or it may modify the boundaries of such zone and make such other corrections or additions to the resolutions as they deem necessary to the accomplishment of the purpose of this chapter: PROVIDED, That if the boundaries of such zone are enlarged, the board shall hold an additional hearing following publication and notice of such new boundaries: PROVIDED FURTHER, That the boundaries of any zone shall generally follow the boundaries of the watershed area affected: PROVIDED FURTHER, That the immediately preceding proviso shall in no way limit or be construed to prohibit the formation of a countywide flood control zone district authorized to be created by RCW 86.15.025.

Within ten days after final hearing on a resolution, the board shall issue its order.

[1969 ex.s. c 195 § 2; 1961 c 153 § 3.]

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**86.15.035****Cooperative watershed management.**

\*\*\* CHANGE IN 2011 \*\*\* (SEE

1332-S.SL) \*\*\*

In addition to the authority provided in this chapter, flood control zone districts may participate in and expend revenue on cooperative watershed management actions, including watershed management partnerships under RCW 39.34.210 and other intergovernmental agreements, for purposes of water supply, water quality, and water resource and habitat protection and management.

[2003 c 327 § 19.]

**Notes:**

**Finding -- Intent -- 2003 c 327:** See note following RCW 39.34.190.

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**86.15.050****Zones — Supervisors — Election of supervisors.**

(1) The board of county commissioners of each county shall be ex officio, by virtue of their office, supervisors of the zones created in each county. In any zone with more than two thousand residents, an election of supervisors other than the board of county commissioners may be held as provided in this section.

(2) When proposed by citizen petition or by resolution of the board of county commissioners, a ballot proposition authorizing election of the supervisors of a zone shall be submitted by ordinance to the voters residing in the zone at any general election, or at any special election which may be called for that purpose.

(3) The ballot proposition shall be submitted (a) if the board of county supervisors enacts an ordinance submitting the proposition after adopting a resolution proposing the election of supervisors of a zone; or (b) if a petition proposing the election of supervisors of a zone is submitted to the county auditor of the county in which the zone is located that is signed by registered voters within the zone, numbering at least fifteen percent of the votes cast in the last county general election by registered voters within the zone.

(4) Upon receipt of a citizen petition under subsection (3)(b) of this section, the county auditor shall determine whether the

petition is signed by a sufficient number of registered voters, using the registration records and returns of the preceding general election, and, no later than forty-five days after receipt of the petition, shall attach to the petition the auditor's certificate stating whether or not sufficient signatures have been obtained. If the signatures are found by the auditor to be insufficient, the petition shall be returned to the person filing it.

(5) The ballot proposition authorizing election of supervisors of zones shall appear on the ballot of the next general election or at the next special election date specified under \*RCW

29.13.020 occurring sixty or more days after the last resolution proposing election of supervisors or the date the county auditor certifies that the petition proposing such election contains sufficient valid signatures.

(6) The petition proposing the election of zone supervisors, or the ordinance submitting the question to the voters, shall describe the proposed election process. The ballot proposition shall include the following:

- "For the direct election of flood control zone district supervisors."
- "Against the direct election of flood control zone district supervisors."

(7) The ordinance or petition submitting the ballot proposition shall designate the proposed composition of the supervisors of zones, which shall be clearly described in the ballot proposition. The ballot proposition shall state that the zone supervisors shall thereafter be selected by election, and, at the same election at which the proposition is submitted to the voters as to whether to elect zone supervisors, three zone supervisors shall be elected. The election of zone supervisors is null and void if the voters, by a simple majority, do not approve the direct election of the zone supervisors. Candidates shall run for specific supervisor positions. No primary may be held to nominate candidates. The person receiving the greatest number of votes for each position shall be elected as a supervisor. The staggering of the terms of office shall occur as follows: (a) The person who is elected receiving the greatest number of votes shall be elected to a six-year term of office if the election is held in an odd-numbered year or a five-year term of office if the election is held in an even-numbered year; (b) the person who is elected receiving the second greatest number of votes shall be elected to a four-year term of office if the election is held in an odd-numbered year or a three-year term of office if the election is held in an even-numbered year; and (c) the other person who is elected shall be elected to a two-year term of office if the election is held in an odd-numbered year or a one-year term of office if the election is held in an even-numbered year. The initial supervisors shall take office immediately when they are elected and qualified, and for purposes of computing their terms of office the terms shall be assumed to commence on the first day of January in the year after they are elected. Thereafter, all supervisors shall be elected to six-year terms of office. All supervisors shall serve until their respective successors are elected and qualified and assume office in accordance with \*\*RCW 29.04.170. Vacancies may occur and shall be filled as provided in chapter 42.12 RCW.

(8) The costs and expenses directly related to the election of zone supervisors shall be borne by the zone.

[2003 c 304 § 1; 1961 c 153 § 5.]

**Notes:**

**Reviser's note:** \*(1) RCW 29.13.020 was recodified as RCW 29A.04.330 pursuant to 2003 c 111 § 2401, effective July 1, 2004.

\*\* (2) RCW 29.04.170 was recodified as RCW 29A.20.040 pursuant to 2003 c 111 § 2401, effective July 1, 2004.

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## 86.15.055 Elected supervisors — Compensation.

In a zone with supervisors elected pursuant to RCW

86.15.050, the supervisors may each receive up to seventy dollars for attendance at official meetings of the supervisors and for each day or major part thereof for all necessary services actually performed in connection with their duties as a supervisor. The board of county commissioners shall fix any such compensation to be paid to the initial supervisors during their initial terms of office. The supervisors shall fix the compensation to be paid to the supervisors thereafter. Compensation for the supervisors shall not exceed six thousand seven hundred twenty dollars in one calendar year. A supervisor is entitled to reimbursement for reasonable expenses actually incurred in connection with performance of the duties of a supervisor, including subsistence and lodging, while away from the supervisor's place of residence, and mileage for use of a privately owned vehicle in accordance with chapter 42.24 RCW.

Any supervisor may waive all or any portion of his or her compensation payable under this section as to any month or months during his or her term of office, by a written waiver filed with the supervisors as provided in this section. The waiver, to be effective, must be filed any time after the member's election and prior to the date on which the compensation would otherwise be paid. The waiver shall specify the month or period of months for which it is made.

[2005 c 127 § 2.]

**Notes:**

**Effective date -- 2005 c 127:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [April 21, 2005]." [2005 c 127 § 3.]

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**86.15.060**

**Administration.**

(1) Except as provided in subsection (2) of this section, administration of the affairs of zones shall be in the county engineer. The engineer may appoint such deputies and engage such employees, specialists, and technicians as may be required by the zone and as are authorized by the zone's budget. Subject to the approval of the supervisors, the engineer may organize, or reorganize as required, the zone into such departments, divisions, or other administrative relationships as he deems necessary to its efficient operation.

(2) In a zone with supervisors elected pursuant to RCW

86.15.050, the supervisors may provide for administration of the affairs of the zone by other than the county engineer, pursuant to the authority established in RCW 86.15.095 to hire employees, staff, and services and to enter into contracts.

[2005 c 127 § 1; 1961 c 153 § 6.]

**Notes:**

**Effective date -- 2005 c 127:** See note following RCW 86.15.055.

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**86.15.070**

**Advisory committees.**

The board may appoint a countywide advisory committee, which shall consist of not more than fifteen members. The board also may appoint an advisory committee for any zone or combination of two or more zones which committees shall consist of not more than five members. Members of an advisory committee shall serve without pay and shall serve at the pleasure of the board.

[1967 ex.s. c 136 § 6; 1961 c 153 § 7.]

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**86.15.080**

**General powers.**

A zone or participating zone may:

(1) Exercise all the powers and immunities vested in a county for flood water or storm water control purposes under the provisions of chapters

86.12, 86.13, 36.89, and 36.94 RCW: PROVIDED, That in exercising such powers, all actions shall be taken in the name of the zone and title to all property or property rights shall vest in the zone;

(2) Plan, construct, acquire, repair, maintain, and operate all necessary equipment, facilities, improvements, and works to control, conserve, and remove flood waters and storm waters and to otherwise carry out the purposes of this chapter including, but not limited to, protection of the quality of water sources;

(3) Take action necessary to protect life and property within the district from flood water damage, including in the context of

an emergency, as defined in RCW 38.52.010, using covered volunteer emergency workers, as defined in RCW 38.52.010 and 38.52.180(5)(a), subject to and in accordance with the terms of RCW 38.52.180;

(4) Control, conserve, retain, reclaim, and remove flood waters and storm waters, including waters of lakes and ponds within the district, and dispose of the same for beneficial or useful purposes under such terms and conditions as the board may deem appropriate, subject to the acquisition by the board of appropriate water rights in accordance with the statutes;

(5) Acquire necessary property, property rights, facilities, and equipment necessary to the purposes of the zone by purchase, gift, or condemnation: PROVIDED, That property of municipal corporations may not be acquired without the consent of such municipal corporation;

(6) Sue and be sued in the name of the zone;

(7) Acquire or reclaim lands when incidental to the purposes of the zone and dispose of such lands as are surplus to the needs of the zone in the manner provided for the disposal of county property in chapter 36.34 RCW;

(8) Cooperate with or join with the state of Washington, United States, another state, any agency, corporation or political subdivision of the United States or any state, Canada, or any private corporation or individual for the purposes of this chapter;

(9) Accept funds or property by loan, grant, gift or otherwise from the United States, the state of Washington, or any other public or private source;

(10) Remove debris, logs, or other material which may impede the orderly flow of waters in streams or water courses: PROVIDED, That such material shall become property of the zone and may be sold for the purpose of recovering the cost of removal: PROVIDED FURTHER, That valuable material or minerals removed from public lands shall remain the property of the state;

(11) Provide grant funds to political subdivisions of the state that are located within the boundaries of the zone, so long as the use of the grant funds is within the purposes authorized under this chapter.

[2010 c 46 § 2; 1983 c 315 § 13; 1961 c 153 § 8.]

**Notes:**

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

**86.15.090**

**Extraterritorial powers.**

A zone may, when necessary to protect life and property within its limits from flood water, exercise any of its powers specified in RCW

86.15.080 outside its territorial limits.

[1961 c 153 § 9.]

**86.15.095**

**Zones constitute quasi municipal corporation — Constitutional and statutory powers.**

A flood control zone district is a quasi municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution, and a "taxing district" within the meaning of Article VII, section 2 of the state Constitution.

A flood control zone district constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may now or hereafter be specifically conferred by statute, including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, and to sue and be sued.

[1983 c 315 § 6.]

**Notes:**

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

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**86.15.100****Flood control or storm water control improvements — Authorization.**

The supervisors may authorize the construction, extension, enlargement, or acquisition of necessary flood control or storm water control improvements within the zone or any participating zones. The improvements may include, but shall not be limited to the extension, enlargement, construction, or acquisition of dikes and levees, drain and drainage systems, dams and reservoirs, or other flood control or storm water control improvements; widening, straightening, or relocating of stream or water courses; and the acquisition, extension, enlargement, or construction of any works necessary for the protection of stream and water courses, channels, harbors, life, and property.

[1983 c 315 § 14; 1961 c 153 § 10.]

**Notes:**

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

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**86.15.110****Flood control or storm water control improvements — Initiation — Comprehensive plan.**

Flood control or storm water control improvements may be extended, enlarged, acquired, or constructed by a zone pursuant to a resolution adopted by the supervisors. The resolution shall specify:

(1) Whether the improvement is to be extended, enlarged, acquired, or constructed;

(2) That either:

(a) A comprehensive plan of development for flood control has been prepared for the stream or water course upon which the improvement will be enlarged, extended, acquired, or constructed, and that the improvement generally contributes to the objectives of the comprehensive plan of development: PROVIDED, That the plan shall be first submitted to the state department of ecology at least ninety days in advance of the beginning of any flood control project or improvement; and shall be subject to all the regulatory control provisions by the department of ecology as provided in chapter

86.16 RCW; or

(b) A comprehensive plan of development for storm water control has been prepared for the area that will be served by the proposed storm water control facilities;

(3) If the improvement is to be constructed, that preliminary engineering studies and plans have been made, and that the plans and studies are on file with the county engineer;

(4) The estimated cost of the acquisition or construction of the improvement, together with such supporting data as will reasonably show how the estimates were arrived at; and

(5) That the improvement will benefit:

(a) Two or more zones, hereinafter referred to as participating zones; or

(b) A single zone; or

(c) The county as a whole, as well as a zone or participating zones.

[1983 c 315 § 15; 1961 c 153 § 11.]

**Notes:**

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

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**86.15.120****Flood control or storm water control improvements — Hearing, notice.**

Before finally adopting a resolution to undertake any flood control improvement or storm water control improvement, the supervisors shall hold a hearing thereon. Notice and publication of the hearing shall be given under RCW

36.32.120(7). The supervisors may conduct any such hearing concurrently with a hearing on the establishment of a flood control zone, and may in such case designate the proposed zone a beneficiary of any improvement.

[1983 c 315 § 16; 1961 c 153 § 12.]

**Notes:**

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

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**86.15.130****Zone treasurer — Funds.**

The treasurer of each zone shall be the county treasurer. He shall establish within his office a zone flood control fund for each zone into which shall be deposited the proceeds of all tax levies, assessments, gifts, grants, loans, or other revenues which may become available to a zone.

The treasurer shall also establish the following accounts within the zone fund:

- (1) For each flood control improvement financed by a bond issue, an account to which shall be deposited the proceeds of any such bond issue; and
- (2) An account for each outstanding bond issue to which will be deposited any revenues collected for the retirement of such outstanding bonds or for the payment of interest or charges thereon; and
- (3) A general account to which all other receipts of the zone shall be deposited.

[1961 c 153 § 13.]

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**86.15.140****Budget.**

The supervisors shall annually at the same time county budgets are prepared adopt a budget for the zone, which budget shall be divided into the following appropriation items: (1) Overhead and administration; (2) maintenance and operation; (3) construction and improvements; and (4) bond retirement and interest. In preparing the budget, the supervisors shall show the total amount to be expended in each appropriation item and the proportionate share of each appropriation item to be paid from each account of the zone.

In preparing the annual budget, the supervisors shall under the appropriation item of construction and improvement list each flood control improvement or storm water control improvement and the estimated expenditure to be made for each during the ensuing year. The supervisors may at any time during the year, if additional funds become available to the zone, adopt a supplemental budget covering additional authorized improvements.

The zone budget or any supplemental budget shall be approved only after a public hearing, notice of which shall be given as provided by RCW

36.32.120(7).

[1983 c 315 § 17; 1961 c 153 § 14.]

**Notes:**

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

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### **86.15.150** **County aid.**

Whenever the supervisors have found under the provisions of RCW

86.15.110 that a flood control improvement or storm water control improvement initiated by any zone will be of benefit to the county as a whole, as well as to the zone or participating zones; or whenever the supervisors have found that the maintenance and operation of any flood control improvement or storm water control improvement within any zone will be of benefit to the overall flood control program or storm water control program of the county, the board may authorize the transfer of any funds available to the county for flood control or storm water control purposes to any zone or participating zones for flood control or storm water control purposes.

[1983 c 315 § 18; 1961 c 153 § 15.]

#### **Notes:**

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

### **86.15.160** **Excess levies, assessments, regular levies, and charges — Local improvement districts.**

For the purposes of this chapter the supervisors may authorize:

(1) An annual excess ad valorem tax levy within any zone or participating zones when authorized by the voters of the zone or participating zones under RCW

84.52.052 and 84.52.054;

(2) An assessment upon property, including state property, specially benefited by flood control improvements or storm water control improvements imposed under chapter 86.09 RCW;

(3) Within any zone or participating zones an annual ad valorem property tax levy of not to exceed fifty cents per thousand dollars of assessed value when the levy will not take dollar rates that other taxing districts may lawfully claim and that will not cause the combined levies to exceed the constitutional and/or statutory limitations, and the additional levy, or any portion thereof, may also be made when dollar rates of other taxing units is released therefor by agreement with the other taxing units from their authorized levies;

(4) A charge, under RCW 36.89.080, for the furnishing of service to those who are receiving or will receive benefits from storm water control facilities and who are contributing to an increase in surface water runoff. The rate or charge imposed under this section shall be reduced by a minimum of ten percent for any new or remodeled commercial building that utilizes a permissive rainwater harvesting system. Rainwater harvesting systems shall be properly sized to utilize the available roof surface of the building. The jurisdiction shall consider rate reductions in excess of ten percent dependent upon the amount of rainwater harvested;

(5) Except as otherwise provided in RCW 90.03.525, any public entity and public property, including the state and state property, shall be liable for the charges to the same extent a private person and privately owned property is liable for the charges, and in setting these rates and charges, consideration may be made of in-kind services, such as stream improvements or donation of property;

(6) The creation of local improvement districts and utility local improvement districts, the issuance of improvement district bonds and warrants, and the imposition, collection, and enforcement of special assessments on all property, including any state-owned or other publicly-owned property, specially benefited from improvements in the same manner as provided for counties by chapter 36.94 RCW.

[2003 c 394 § 8; 1986 c 278 § 60; 1983 c 315 § 19; 1973 1st ex.s. c 195 § 131; 1961 c 153 § 16.]

#### **Notes:**

**Severability -- 1986 c 278:** See note following RCW 36.01.010.

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

**Severability -- Effective dates and termination dates -- Construction -- 1973 1st ex.s. c 195:** See notes following RCW 84.52.043.

Rates and charges for storm water control facilities -- Limitations -- Definitions: RCW 90.03.500 through 90.03.525. See also RCW 35.67.025, 35.92.021, 36.89.085, and 36.94.145.

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**86.15.162****Delinquent assessment — Sale of parcel — Accrual of interest.**

If the delinquent assessment remains unpaid on the date fixed for the sale under RCW

86.09.496 and 86.09.499, the parcel shall be sold in the same manner as provided under \*RCW 87.03.310 through 87.03.330. If the district reconveys the land under \*RCW 87.03.325 due to accident, inadvertence, or misfortune, however, interest shall accrue not at the rate provided in RCW 87.03.270, but at the rate provided in RCW 86.09.505.

[1983 c 315 § 7.]

**Notes:**

\***Reviser's note:** RCW 87.03.310 through 87.03.330 were repealed by 1988 c 134 § 15. Later enactment, see chapter 87.06 RCW.

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

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**86.15.165****Voluntary assessments for flood control or storm water control improvements — Procedure — Disposition of proceeds — Use.**

The supervisors may provide by resolution for levying voluntary assessments, under a mode of annual installments extending over a period not exceeding fifteen years, on property benefited from a flood control improvement or storm water control improvement. The voluntary assessment shall be imposed only after each owner of property benefited by the flood control improvement has agreed to the assessment by written agreement with the supervisors. The agreement shall be recorded with the county auditor and the obligations under the agreement shall be binding upon all heirs and all successors in interest of the property.

The voluntary assessments need not be uniform or directly related to benefits to the property from the flood control improvement or storm water control improvement.

The levying, collection, and enforcement authorized in this section shall be in the manner now and hereafter provided by law for the levying, collection, and enforcement of local improvement assessments by cities and towns, insofar as those provisions are not inconsistent with the provisions of this chapter.

The disposition of all proceeds from voluntary assessments shall be in accordance with RCW

86.15.130.

The proceeds from voluntary assessments may be used for any flood control improvement or storm water control improvement not inconsistent with the provisions of this chapter, and in addition the proceeds may be used for operation and maintenance of flood control improvements or storm water control improvements constructed under the authority of this chapter.

[1983 c 315 § 20; 1969 ex.s. c 195 § 3.]

**Notes:**

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

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### **86.15.170** **General obligation bonds.**

The supervisors may authorize the issuance of general obligation bonds to finance any flood control improvement or storm water control improvement and provide for the retirement of the bonds with ad valorem property tax levies. The general obligation bonds may be issued and the bond retirement levies imposed only when the voters of the flood control zone district approve a ballot proposition authorizing both the bond issuance and imposition of the excess bond retirement levies pursuant to Article VIII, section 6 and Article VII, section 2(b) of the state Constitution and RCW

**84.52.056.** Elections shall be held as provided in RCW **39.36.050**. The bonds shall be issued on behalf of the zone or participating zones and be approved by the voters of the zone or participating zones when the improvement has by the resolution, provided in RCW **86.15.110**, been found to be of benefit to a zone or participating zones. The bonds may not exceed an amount, together with any outstanding general obligation indebtedness, equal to three-fourths of one percent of the value of taxable property within the zone or participating zones, as the term "value of the taxable property" is defined in RCW **39.36.015**. The bonds shall be issued and sold in accordance with chapter **39.46** RCW.

[1984 c 186 § 62. Prior: 1983 c 315 § 21; 1983 c 167 § 211; 1961 c 153 § 17.]

#### **Notes:**

**Purpose -- 1984 c 186:** See note following RCW **39.46.110**.

**Severability -- 1983 c 315:** See note following RCW **90.03.500**.

**Liberal construction -- Severability -- 1983 c 167:** See RCW **39.46.010** and note following.

### **86.15.175** **Community revitalization financing — Public improvements.**

In addition to other authority that a flood control zone district possesses, a flood control zone district may provide any public improvement as defined under RCW

**39.89.020**, but this additional authority is limited to participating in the financing of the public improvements as provided under RCW **39.89.050**.

This section does not limit the authority of a flood control zone district to otherwise participate in the public improvements if that authority exists elsewhere.

[2001 c 212 § 23.]

#### **Notes:**

**Severability -- 2001 c 212:** See RCW **39.89.902**.

### **86.15.176** **Service charges authorized — Disposition of revenue.**

The supervisors may provide by resolution for revenues by fixing rates and charges for the furnishing of service to those served or receiving benefits from a flood control improvement including public entities, except as otherwise provided in RCW

**90.03.525.** The service charge shall be uniform for the same class of benefits or service. In classifying services furnished or benefits received the board may in its discretion consider the character and use of land and its water runoff characteristics and any other matters that present a reasonable difference as a ground for distinction. Service charges shall be applicable to a zone or participating zones. The disposition of all revenue from service charges shall be in accordance with RCW **86.15.130**.

[1986 c 278 § 61; 1983 c 315 § 22; 1967 ex.s. c 136 § 7.]

#### **Notes:**

**Severability -- 1986 c 278:** See note following RCW **36.01.010**.

**Severability -- 1983 c 315:** See note following RCW **90.03.500**.

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**86.15.178****Revenue bonds — Lien for delinquent service charges.**

(1) The supervisors may authorize the issuance of revenue bonds to finance any flood control improvement or storm water control improvement. The bonds may be issued by the supervisors in the same manner as prescribed in RCW

36.67.510 through 36.67.570 pertaining to counties. The bonds shall be issued on behalf of the zone or participating zones when the improvement has by the resolution, provided in RCW 86.15.110, been found to be of benefit to a zone or participating zones. The bonds may be in any form, including bearer bonds or registered bonds.

Each revenue bond shall state on its face that it is payable from a special fund, naming the fund and the resolution creating the fund.

Revenue bond principal, interest, and all other related necessary expenses shall be payable only out of the appropriate special fund.

A zone or participating zones shall have a lien for delinquent service charges, including interest thereon, against the premises benefited by a flood control improvement or storm water control improvement, which lien shall be superior to all other liens and encumbrances except general taxes and local and special assessments. The lien shall be effective and shall be enforced and foreclosed in the same manner as provided for sewerage liens of cities and towns by RCW 35.67.200 through 35.67.290.

(2) Notwithstanding subsection (1) of this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW.

[1991 c 322 § 10. Prior: 1983 c 315 § 23; 1983 c 167 § 212; 1967 ex.s. c 136 § 8.]

**Notes:**

**Findings -- Intent -- Purpose -- 1991 c 322:** See notes following RCW 86.12.200.

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

**Liberal construction -- Severability -- 1983 c 167:** See RCW 39.46.010 and note following.

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**86.15.180****Protection of public property.**

Any agency or department of the state of Washington, or any political subdivision or municipal corporation of the state may contribute funds to the county or any zone or zones to assist the county, zone or zones in carrying out the purposes of this chapter when such agency, department, subdivision or municipal corporation finds such action will materially contribute to the protection of publicly owned property under its jurisdiction.

[1961 c 153 § 18.]

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**86.15.190****Abatement of nuisances.**

The supervisors may order, on behalf of the zone or participating zones, that an action be brought in the superior court of the county to require the removal of publicly or privately owned structures, improvements, facilities, or accumulations of debris or materials that materially contribute to the dangers of loss of life or property from flood waters. Where the structures, improvements, facilities, or accumulations of debris or materials are found to endanger the public health or safety the court shall declare them a public nuisance, and forthwith order their abatement. If the abatement is not completed within the time ordered by the court, the county may abate the nuisance and charge the cost of the action against the land upon which the nuisance is located, and the payment of the charge may be enforced and collected in the same manner at the same time as county property taxes.

[1983 c 315 § 24; 1961 c 153 § 19.]

**Notes:**

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

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**86.15.200****Flood control zones — Consolidation, abolishment.**

The board may consolidate any two or more zones or abolish any zone pursuant to a resolution adopted by the board providing for such action. Before adopting such a resolution, the board shall conduct a public hearing notice of which shall be given as provided by RCW

36.32.120(7). Any indebtedness of any zone or zones which are abolished or consolidated shall not be impaired by their abolishment or consolidation, and the board shall continue to levy and collect all necessary taxes and assessments until such debts are retired. Whenever twenty-five percent of the electors of any zone file a petition, meeting the requirements of sufficiency set forth in RCW 86.15.020, asking that a zone be abolished, the board shall: (1) Adopt a resolution abolishing the zone or (2) at the next general election place a proposition on the ballot calling for a yes or no vote on the abolition of the zone.

[1961 c 153 § 20.]

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**86.15.210****Transfer of property.**

A diking, drainage, or sewerage improvement district, flood control district, diking district, drainage district, intercounty diking and drainage district, or zone may convey title to any property improvements or assets of the districts or zone to the county or a zone for flood control purposes. If the property improvements or assets are surplus to the needs of the district or zone the transfer may be made by private negotiations, but in all other cases the transfers are subject to the approval of a majority of the registered voters within the district or zone. Nothing in this section permits any district or zone to impair the obligations of any debt or contract of the district or zone.

[1983 c 315 § 25; 1961 c 153 § 21.]

**Notes:**

**Severability -- 1983 c 315:** See note following RCW 90.03.500.

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**86.15.220****Planning of improvements.**

Nothing in this chapter shall be construed as limiting the right of counties under the provisions of chapters

86.12 and 86.13 RCW to undertake the planning or engineering studies necessary for flood control improvements or financing the same from any funds available for such purposes.

[1961 c 153 § 22.]

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**86.15.230****Public necessity of chapter.**

This chapter is hereby declared to be necessary for the public health, safety, and welfare and that the taxes and special assessments authorized hereby are found to be for a public purpose.

[1961 c 153 § 23.]

**86.15.900****Severability — Construction — 1961 c 153.**

If any provision of this chapter, as now or hereafter amended, or its application to any person or circumstance is held invalid, the remainder of the chapter, and its application to other persons or circumstances shall not be affected.

[1961 c 153 § 24.]

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**86.15.910****Construction of chapter.**

This chapter shall be complete authority for the accomplishment of purposes hereby authorized, and shall be liberally construed to accomplish its purposes. Any restrictions, limitations or regulations contained shall not apply to this chapter. Any act inconsistent herewith shall be deemed modified to conform with the provisions of this chapter for the purpose of this chapter only.

[1961 c 153 § 25.]

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**86.15.920****Titles not part of the chapter.**

The section titles shall not be considered a part of this chapter.

[1961 c 153 § 26.]

## Appendix E – Interlocal Cooperation Act and Watershed Management Partnership Authorization

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CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 1332**

62nd Legislature  
2011 Regular Session

Passed by the House April 15, 2011  
Yeas 95 Nays 1

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**Speaker of the House of Representatives**

Passed by the Senate April 7, 2011  
Yeas 40 Nays 8

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1332** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE HOUSE BILL 1332**

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AS AMENDED BY THE SENATE

Passed Legislature - 2011 Regular Session

**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** House Local Government (originally sponsored by Representatives Eddy, Anderson, Goodman, Takko, Lias, Springer, Rodne, Hurst, and Tharinger)

READ FIRST TIME 02/01/11.

1 AN ACT Relating to the joint provision and management of municipal  
2 water, wastewater, storm and flood water, and related utility services;  
3 amending RCW 4.96.010, 86.09.720, and 86.15.035; adding a new section  
4 to chapter 82.04 RCW; adding a new section to chapter 82.08 RCW; adding  
5 a new section to chapter 82.12 RCW; adding a new section to chapter  
6 82.16 RCW; and adding a new chapter to Title 39 RCW.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 NEW SECTION. **Sec. 1.** TITLE OF ACT--DECLARATION OF PURPOSE. (1)  
9 This act shall be known as the joint municipal utility services act.  
10 (2) It is the purpose of this act to improve the ability of local  
11 government utilities to plan, finance, construct, acquire, maintain,  
12 operate, and provide facilities and utility services to the public, and  
13 to reduce costs and improve the benefits, efficiency, and quality of  
14 utility services.  
15 (3) This act is intended to facilitate joint municipal utility  
16 services and is not intended to expand the types of services provided  
17 by local governments or their utilities. Further, nothing in this act  
18 is intended to alter the regulatory powers of cities, counties, or  
19 other local governments or state agencies that exercise such powers.

1 Further, nothing in this act may be construed to alter the underlying  
2 authority of the units of local government that enter into agreements  
3 under this act or to diminish in any way the authority of local  
4 governments to enter into agreements under chapter 39.34 RCW or other  
5 applicable law.

6 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
7 section apply throughout this chapter unless the context clearly  
8 requires otherwise.

9 (1) "Agreement" means a joint municipal utility services agreement,  
10 among members, that forms an authority, as more fully described in this  
11 chapter.

12 (2) "Authority" means a joint municipal utility services authority  
13 formed under this chapter.

14 (3) "Board of directors" or "board" means the board of directors of  
15 an authority.

16 (4) "Member" means a city, town, county, water-sewer district,  
17 public utility district, other special purpose district, municipal  
18 corporation, or other unit of local government of this or another state  
19 that provides utility services, and any Indian tribe recognized as such  
20 by the United States government, that is a party to an agreement  
21 forming an authority.

22 (5) "Utility services," for purposes of this chapter, means any or  
23 all of the following functions: The provision of retail or wholesale  
24 water supply and water conservation services; the provision of  
25 wastewater, sewage, or septage collection, handling, treatment,  
26 transmission, or disposal services; the provision of point and nonpoint  
27 water pollution monitoring programs; the provision for the generation,  
28 production, storage, distribution, use, or management of reclaimed  
29 water; and the management and handling of storm water, surface water,  
30 drainage, and flood waters.

31 NEW SECTION. **Sec. 3.** FORMATION OF JOINT MUNICIPAL UTILITY  
32 SERVICES AUTHORITIES--CHARACTERISTICS--SUBSTANTIVE POWERS. (1) An  
33 authority may be formed by two or more members pursuant to this chapter  
34 by execution of a joint municipal utility services agreement that  
35 materially complies with the requirements of section 5 of this act.  
36 Except as otherwise provided in section 8 of this act, at the time of

1 execution of an agreement each member must be providing the type of  
2 utility service or services that will be provided by the authority.  
3 The agreement must be approved by the legislative authority of each of  
4 the members. The agreement must be filed with the Washington state  
5 secretary of state, who must provide a certificate of filing with  
6 respect to any authority. An authority shall be deemed to have been  
7 formed as of the date of that filing. The formation and activities of  
8 an authority, and the admission or withdrawal of members, are not  
9 subject to review by any boundary review board. Any amendments to an  
10 agreement must be filed with the Washington state secretary of state,  
11 and will become effective on the date of filing.

12 (2) An authority is a municipal corporation. Subject to section  
13 4(3) of this act, the provisions of a joint municipal utility services  
14 agreement, and any limitations imposed pursuant to section 5 of this  
15 act: (a) An authority may perform or provide any or all of the utility  
16 service or services that all of its members, other than tribal  
17 government members, perform or provide under applicable law; and (b) in  
18 performing or providing those utility services, an authority may  
19 exercise any or all of the powers described in section 4(1) of this  
20 act.

21 (3) An authority shall be entitled to all the immunities and  
22 exemptions that are available to local governmental entities under  
23 applicable law, including without limitation the provisions of chapter  
24 4.96 RCW. Notwithstanding this subsection (3), if all of an  
25 authority's members are the same type of Washington local government  
26 entity, then the immunities and exemptions available to that type of  
27 entity shall govern.

28 (4) Nothing in this chapter shall diminish a member's powers in  
29 connection with its provision or management of utility services, or its  
30 taxing power with respect to those services, nor does this chapter  
31 diminish in any way the authority of local governments to enter into  
32 agreements under chapter 39.34 RCW or other applicable law.

33 (5) Nothing in this chapter shall impair or diminish a valid water  
34 right, including rights established under state law and rights  
35 established under federal law.

36 NEW SECTION. **Sec. 4.** CORPORATE POWERS OF JOINT MUNICIPAL UTILITY  
37 SERVICES AUTHORITIES. (1) For the purpose of performing or providing

1 utility services, and subject to subsection (3) of this section and  
2 section 5 of this act, an authority has and is entitled to exercise the  
3 following powers:

4 (a) To sue and be sued, complain and defend, in its corporate name;

5 (b) To have a corporate seal which may be altered at pleasure, and  
6 to use the same by causing it, or a facsimile thereof, to be impressed  
7 or affixed or in any other manner reproduced;

8 (c) To purchase, take, receive, take by lease, condemn, receive by  
9 grant, or otherwise acquire, and to own, hold, improve, use, operate,  
10 maintain, add to, extend, and fully control the use of and otherwise  
11 deal in and with, real or personal property or property rights,  
12 including without limitation water and water rights, or other assets,  
13 or any interest therein, wherever situated;

14 (d) To sell, convey, lease out, exchange, transfer, surplus, and  
15 otherwise dispose of all or any part of its property and assets;

16 (e) To incur liabilities for any of its utility services purposes,  
17 to borrow money at such rates of interest as the authority may  
18 determine, to issue its bonds, notes, and other obligations, and to  
19 pledge any or all of its revenues to the repayment of bonds, notes, and  
20 other obligations;

21 (f) To enter into contracts for any of its utility services  
22 purposes with any individual or entity, both public and private, and to  
23 enter into intergovernmental agreements with its members and with other  
24 public agencies;

25 (g) To be eligible to apply for and to receive state, federal, and  
26 private grants, loans, and assistance that any of its members are  
27 eligible to receive in connection with the development, design,  
28 acquisition, construction, maintenance, and/or operation of facilities  
29 and programs for utility services;

30 (h) To adopt and alter rules, policies, and guidelines, not  
31 inconsistent with this chapter or with other laws of this state, for  
32 the administration and regulation of the affairs and assets of the  
33 authority;

34 (i) To obtain insurance, to self-insure, and to participate in pool  
35 insurance programs;

36 (j) To indemnify any officer, director, employee, volunteer, or  
37 former officer, employee, or volunteer, or any member, for acts,

1 errors, or omissions performed in the exercise of their duties in the  
2 manner approved by the board;

3 (k) To employ such persons, as public employees, that the board  
4 determines are needed to carry out the authority's purposes and to fix  
5 wages, salaries, and benefits, and to establish any bond requirements  
6 for those employees;

7 (l) To provide for and pay pensions and participate in pension  
8 plans and other benefit plans for any or all of its officers or  
9 employees, as public employees;

10 (m) To determine and impose fees, rates, and charges for its  
11 utility services;

12 (n) Subject to section 5(20) of this act, to have a lien for  
13 delinquent and unpaid rates and charges for retail connections and  
14 retail utility service to the public, together with recording fees and  
15 penalties (not exceeding eight percent) determined by the board,  
16 including interest (at a rate determined by the board) on such rates,  
17 charges, fees, and penalties, against the premises to which such  
18 service has been furnished or is available, which lien shall be  
19 superior to all other liens and encumbrances except general taxes and  
20 local and special assessments;

21 (o) To make expenditures to promote and advertise its programs,  
22 educate its members, customers, and the general public, and provide and  
23 support conservation and other practices in connection with providing  
24 utility services;

25 (p) With the consent of the member within whose geographic  
26 boundaries an authority is so acting, to compel all property owners  
27 within an area served by a wastewater collection system owned or  
28 operated by an authority to connect their private drain and sewer  
29 systems with that system, or to participate in and follow the  
30 requirements of an inspection and maintenance program for on-site  
31 systems, and to pay associated rates and charges, under such terms and  
32 conditions, and such penalties, as the board shall prescribe by  
33 resolution;

34 (q) With the consent of the member within whose geographic or  
35 service area boundaries an authority is so acting, to create local  
36 improvement districts or utility local improvement districts, to impose  
37 and collect assessments and to issue bonds and notes, all consistent  
38 with the statutes governing local improvement districts or utility

1 local improvement districts applicable to the member that has provided  
2 such consent. Notwithstanding this subsection (1)(q), the guaranty  
3 fund provisions of chapter 35.54 RCW shall not apply to a local  
4 improvement district created by an authority;

5 (r) To receive contributions or other transfers of real and  
6 personal property and property rights, money, other assets, and  
7 franchise rights, wherever situated, from its members or from any other  
8 person;

9 (s) To prepare and submit plans relating to utility services on  
10 behalf of itself or its members;

11 (t) To terminate its operations, wind up its affairs, dissolve, and  
12 provide for the handling and distribution of its assets and liabilities  
13 in a manner consistent with the applicable agreement;

14 (u) To transfer its assets, rights, obligations, and liabilities to  
15 a successor entity, including without limitation a successor authority  
16 or municipal corporation;

17 (v) Subject to subsection (3) of this section, section 5 of this  
18 act, and applicable law, to have and exercise any other corporate  
19 powers capable of being exercised by any of its members in providing  
20 utility services;

21 (2) An authority, as a municipal corporation, is subject to the  
22 public records act (chapter 42.56 RCW), the open public meetings act  
23 (chapter 42.30 RCW), and the code of ethics for municipal officers  
24 (chapter 42.23 RCW), and an authority is subject to audit by the state  
25 auditor under chapter 43.09 RCW.

26 (3) In the exercise of its powers in connection with performing or  
27 providing utility services, an authority is subject to the following:

28 (a) An authority has no power to levy taxes.

29 (b) An authority has the power of eminent domain as necessary to  
30 perform or provide utility services, but only if all of its members,  
31 other than tribal government members, have powers of eminent domain.  
32 Further, an authority may exercise the power of eminent domain only  
33 pursuant to the provisions of Washington law, in the manner and subject  
34 to the statutory limitations applicable to one or more of its  
35 Washington local government members. If all of its members are the  
36 same type of Washington governmental entity, then the statute governing  
37 the exercise of eminent domain by that type of entity shall govern. An  
38 authority may not exercise the power of eminent domain with respect to

1 property owned by a city, town, county, special purpose district,  
2 authority, or other unit of local government, but may acquire or use  
3 such property under mutually agreed upon terms and conditions.

4 (c) An authority may pledge its revenues in connection with its  
5 obligations, and may acquire property or property rights through and  
6 subject to the terms of a conditional sales contract, a real estate  
7 contract, or a financing contract under chapter 39.94 RCW, or other  
8 federal or state financing program. However, an authority must not in  
9 any other manner mortgage or provide security interests in its real or  
10 personal property or property rights. As a local governmental entity  
11 without taxing power, an authority may not issue general obligation  
12 bonds. However, an authority may pledge its full faith and credit to  
13 the payment of amounts due pursuant to a financing contract under  
14 chapter 39.94 RCW or other federal or state financing program.

15 (d) In order for an authority to provide a particular utility  
16 service in a geographical area, one or more of its members must have  
17 authority, under applicable law, to provide that utility service in  
18 that geographical area.

19 (e) As a separate municipal corporation, an authority's obligations  
20 and liabilities are its own and are not obligations or liabilities of  
21 its members except to the extent and in the manner established under  
22 the provisions of an agreement or otherwise expressly provided by  
23 contract.

24 (f) Upon its dissolution, after provision is made for an  
25 authority's liabilities, remaining assets must be distributed to a  
26 successor entity, or to one or more of the members, or to another  
27 public body of this state.

28 NEW SECTION. **Sec. 5.** ELEMENTS OF JOINT MUNICIPAL UTILITY SERVICES  
29 AGREEMENTS. A joint municipal utility services agreement that forms  
30 and governs an authority must include the elements described in this  
31 section, together with such other provisions an authority's members  
32 deem appropriate. However, the failure of an agreement to include each  
33 and every one of the elements described in this section shall not  
34 render the agreement invalid. An agreement must:

35 (1) Identify the members, together with conditions upon which  
36 additional members that are providing utility services may join the  
37 authority, the conditions upon which members may or must withdraw,

1 including provisions for handling of relevant assets and liabilities  
2 upon a withdrawal, and the effect of boundary adjustments of the  
3 authority and boundary adjustments between or among members;

4 (2) State the name of the authority;

5 (3) Describe the utility services that the authority will provide;

6 (4) Specify how the number of directors of the authority's board  
7 will be determined, and how those directors will be appointed. Each  
8 director on the board of an authority must be an elected official of a  
9 member. Except as limited by an agreement, an authority's board may  
10 exercise the authority's powers;

11 (5) Describe how votes of the members represented on the  
12 authority's board are to be weighted, and set forth any limitations on  
13 the exercise of powers of the authority's board, which may include, by  
14 way of example, requirements that certain decisions be made by a  
15 supermajority of members represented on an authority's board, based on  
16 the number of members and/or some other factor or factors, and that  
17 certain decisions be ratified by the legislative authorities of the  
18 members;

19 (6) Describe how the agreement is to be amended;

20 (7) Describe how the authority's rules may be adopted and amended;

21 (8) Specify the circumstances under which the authority may be  
22 dissolved, and how it may terminate its operations, wind up its  
23 affairs, and provide for the handling, assumption, and/or distribution  
24 of its assets and liabilities;

25 (9) List any legally authorized substantive or corporate powers  
26 that the authority will not exercise;

27 (10) Specify under which personnel laws the authority will operate,  
28 which may be the personnel laws applicable to any one of its Washington  
29 local government members;

30 (11) Specify under which public works and procurement laws the  
31 authority will operate, which may be the public works and procurement  
32 laws applicable to any one of its Washington local government members;

33 (12) Consistent with section 4(3)(b) of this act, specify under  
34 which Washington eminent domain laws any condemnations by the authority  
35 will be subject;

36 (13) Specify how the treasurer of the authority will be appointed,  
37 which may be an officer or employee of the authority, the treasurer or  
38 chief finance officer of any Washington local government member, or the

1 treasurer of any Washington county in which any member of the authority  
2 is located. However, if the total number of utility customers of all  
3 of the members of an authority does not exceed two thousand five  
4 hundred, the treasurer of an authority must be either the treasurer of  
5 any member or the treasurer of a county in which any member of the  
6 authority is located;

7 (14) Specify under which Washington state statute or statutes  
8 surplus property of the authority will be disposed;

9 (15) Describe how the authority's budgets will be prepared and  
10 adopted;

11 (16) Describe how any assets of members that are transferred to or  
12 managed by the authority will be accounted for;

13 (17) Generally describe the financial obligations of members to the  
14 authority;

15 (18) Describe how rates and charges imposed by the authority, if  
16 any, will be determined. An agreement may specify a specific  
17 Washington state statute applicable to one or all of its members for  
18 the purpose of governing rate-setting criteria applicable to retail  
19 customers, if any;

20 (19) Specify the Washington state statute or statutes under which  
21 bonds, notes, and other obligations of the authority will be issued for  
22 the purpose of performing or providing utility services, which must be  
23 a bond issuance statute applicable to one or more of its members other  
24 than a tribal member. If all of its members are the same type of  
25 Washington governmental entity, then a Washington state statute or  
26 statutes governing the issuance of bonds, notes, and other obligations  
27 issued by that type of entity shall govern;

28 (20) Specify under which Washington state statute or statutes any  
29 liens of an authority shall be exercised, which must be statutes  
30 applicable to the type or types of utility service for which the lien  
31 shall apply. Further, if all of its members are the same type of  
32 Washington governmental entity, then the statute or statutes governing  
33 that type of entity shall govern;

34 (21) Include any other provisions deemed necessary and appropriate  
35 by the members.

36 NEW SECTION. **Sec. 6.** AUTHORITY OF MEMBERS TO ASSIST AUTHORITY AND  
37 TO TRANSFER FUNDS, PROPERTY, AND OTHER ASSETS. For the purpose of

1 assisting the authority in providing utility services, the members of  
2 an authority are authorized, with or without payment or other  
3 consideration and without submitting the matter to the electors of  
4 those members, to lease, convey, transfer, assign, or otherwise make  
5 available to an authority any money, real or personal property or  
6 property rights, other assets including licenses, water rights (subject  
7 to applicable law), other property (whether held by a member's utility  
8 or by a member's general government), or franchises or rights  
9 thereunder.

10 NEW SECTION. **Sec. 7.** TAX EXEMPTIONS AND PREFERENCES. (1) As a  
11 municipal corporation, the property of an authority is exempt from  
12 taxation.

13 (2) An authority is entitled to all of the exemptions from or  
14 preferences with respect to taxes that are available to any or all of  
15 its members, other than a tribal member, in connection with the  
16 provision or management of utility services.

17 NEW SECTION. **Sec. 8.** CONVERSION OF EXISTING ENTITIES INTO  
18 AUTHORITIES. (1) Any intergovernmental entity formed under chapter  
19 39.34 RCW or other applicable law may become a joint municipal utility  
20 services authority and be entitled to all the powers and privileges  
21 available under this chapter, if: (a) The public agencies that are  
22 parties to an existing interlocal agreement would otherwise be eligible  
23 to form an authority to provide the relevant utility services; (b) the  
24 public agencies that are parties to the existing interlocal agreement  
25 amend, restate, or replace that interlocal agreement so that it  
26 materially complies with the requirements of section 5 of this act; (c)  
27 the amended, restated, or replacement agreement is filed with the  
28 Washington state secretary of state consistent with section 3 of this  
29 act; and (d) the amended, restated, or replacement agreement expressly  
30 provides that all rights and obligations of the entity formerly  
31 existing under chapter 39.34 RCW or other applicable law shall  
32 thereafter be the obligations of the new authority created under this  
33 chapter. Upon compliance with those requirements, the new authority  
34 shall be a successor of the former intergovernmental entity for all  
35 purposes, and all rights and obligations of the former entity shall  
36 transfer to the new authority. Those obligations shall be treated as

1 having been incurred, entered into, or issued by the new authority, and  
2 those obligations shall remain in full force and effect and shall  
3 continue to be enforceable in accordance with their terms.

4 (2) If an interlocal agreement under chapter 39.34 RCW or other  
5 applicable law relating to utility services includes among its original  
6 participants a city or county that does not itself provide or no longer  
7 provides utility services, that city or county may continue as a party  
8 to the amended, restated, or replacement agreement and shall be treated  
9 as a member for all purposes under this chapter.

10 NEW SECTION. **Sec. 9.** POWERS CONFERRED BY CHAPTER ARE  
11 SUPPLEMENTAL. The powers and authority conferred by this chapter shall  
12 be construed as in addition and supplemental to powers or authority  
13 conferred by any other law, and nothing contained in this chapter shall  
14 be construed as limiting any other powers or authority of any member or  
15 any other entity formed under chapter 39.34 RCW or other applicable  
16 law.

17 **Sec. 10.** RCW 4.96.010 and 2001 c 119 s 1 are each amended to read  
18 as follows:

19 (1) All local governmental entities, whether acting in a  
20 governmental or proprietary capacity, shall be liable for damages  
21 arising out of their tortious conduct, or the tortious conduct of their  
22 past or present officers, employees, or volunteers while performing or  
23 in good faith purporting to perform their official duties, to the same  
24 extent as if they were a private person or corporation. Filing a claim  
25 for damages within the time allowed by law shall be a condition  
26 precedent to the commencement of any action claiming damages. The laws  
27 specifying the content for such claims shall be liberally construed so  
28 that substantial compliance therewith will be deemed satisfactory.

29 (2) Unless the context clearly requires otherwise, for the purposes  
30 of this chapter, "local governmental entity" means a county, city,  
31 town, special district, municipal corporation as defined in RCW  
32 39.50.010, quasi-municipal corporation, any joint municipal utility  
33 services authority, any entity created by public agencies under RCW  
34 39.34.030, or public hospital.

35 (3) For the purposes of this chapter, "volunteer" is defined  
36 according to RCW 51.12.035.

1        NEW SECTION.    **Sec. 11.**    A new section is added to chapter 82.04 RCW  
2 to read as follows:

3        This chapter does not apply to any payments between, or any  
4 transfer of assets to or from, a joint municipal utility services  
5 authority created under chapter 39.--- RCW (the new chapter created in  
6 section 17 of this act) and any of its members.

7        NEW SECTION.    **Sec. 12.**    A new section is added to chapter 82.08 RCW  
8 to read as follows:

9        The tax levied by RCW 82.08.020 shall not apply to any sales, or  
10 transfers made, to or from a joint municipal utility services authority  
11 formed under chapter 39.--- RCW (the new chapter created in section 17  
12 of this act) and any of its members.

13       NEW SECTION.    **Sec. 13.**    A new section is added to chapter 82.12 RCW  
14 to read as follows:

15       The tax levied by RCW 82.12.020 shall not apply to any sales, or  
16 uses by, or transfers made, to or from a joint municipal utility  
17 services authority formed under chapter 39.--- RCW (the new chapter  
18 created in section 17 of this act) and any of its members.

19       NEW SECTION.    **Sec. 14.**    A new section is added to chapter 82.16 RCW  
20 to read as follows:

21       This chapter does not apply to any payments between, or any  
22 transfer of assets to or from, a joint municipal utility services  
23 authority created under chapter 39.--- RCW (the new chapter created in  
24 section 17 of this act) and any of its members.

25       **Sec. 15.**    RCW 86.09.720 and 2003 c 327 s 18 are each amended to  
26 read as follows:

27       In addition to the authority provided in this chapter, flood  
28 control districts may participate in and expend revenue on cooperative  
29 watershed management arrangements and actions, including (~~watershed~~  
30 ~~management partnerships under RCW 39.34.210~~) without limitation those  
31 under chapter 39.34 RCW, under chapter 39.--- RCW (the new chapter  
32 created in section 17 of this act), and under other intergovernmental  
33 agreements authorized by law, for purposes of water supply, water  
34 quality, and water resource and habitat protection and management.

1       **Sec. 16.** RCW 86.15.035 and 2003 c 327 s 19 are each amended to  
2 read as follows:

3       In addition to the authority provided in this chapter, flood  
4 control zone districts may participate in and expend revenue on  
5 cooperative watershed management arrangements and actions, including  
6 ~~((watershed management partnerships under RCW 39.34.210))~~ without  
7 limitation those under chapter 39.34 RCW, under chapter 39.--- RCW (the  
8 new chapter created in section 17 of this act), and under other  
9 intergovernmental agreements authorized by law, for purposes of water  
10 supply, water quality, and water resource and habitat protection and  
11 management.

12       NEW SECTION. **Sec. 17.** CODIFICATION. Sections 1 through 9 of this  
13 act constitute a new chapter in Title 39 RCW.

--- END ---

Chapter 39.34 RCW  
Interlocal cooperation act

RCW Sections

- 39.34.010 Declaration of purpose.
- 39.34.020 Definitions.
- 39.34.030 Joint powers -- Agreements for joint or cooperative action, requisites, effect on responsibilities of component agencies -- Financing of joint projects.
- 39.34.040 Methods of filing agreements -- Status of interstate agreements -- Real party in interest -- Actions.
- 39.34.050 Duty to submit agreement to jurisdictional state officer or agency.
- 39.34.055 Public purchase agreements with public benefit nonprofit corporations.
- 39.34.060 Participating agencies may appropriate funds and provide personnel, property, and services.
- 39.34.070 Authority of joint boards to receive loans or grants.
- 39.34.080 Contracts to perform governmental activities which each contracting agency is authorized to perform.
- 39.34.085 Agreements for operation of bus services.
- 39.34.090 Agencies' contracting authority regarding electricity, utilities' powers, preserved.
- 39.34.100 Powers conferred by chapter are supplemental.
- 39.34.110 Powers otherwise prohibited by Constitutions or federal laws.
- 39.34.130 Transactions between state agencies -- Charging of costs -- Regulation by director of financial management.
- 39.34.140 Transactions between state agencies -- Procedures for payments through transfers upon accounts.
- 39.34.150 Transactions between state agencies -- Advancements.
- 39.34.160 Transactions between state agencies -- Time limitation for expenditure of advance -- Unexpended balance.
- 39.34.170 Transactions between state agencies -- Powers and authority cumulative.
- 39.34.180 Criminal justice responsibilities -- Interlocal agreements -- Termination.
- 39.34.190 Watershed management plan projects -- Use of water-related revenues.
- 39.34.200 Watershed management partnerships -- Formation.
- 39.34.210 Watershed management partnerships -- Indebtedness -- Bonds.
- 39.34.215 Watershed management partnerships -- Eminent domain authority.
- 39.34.220 Watershed management plans -- Additional authority for implementation -- Existing agreements not affected.
- 39.34.230 Covered emergencies -- Interlocal agreements for mutual aid and cooperation -- Liability of state -- Existing rights.
- 39.34.900 Short title.
- 39.34.910 Severability -- 1967 c 239.
- 39.34.920 Effective date -- 1967 c 239.

Notes:

Hydroelectric resources, creation of separate legal authority by irrigation districts and cities, towns, or public utility districts: RCW 87.03.828.

Irrigation districts, creation of legal authority to carry out powers: RCW 87.03.018.

School district associations' right to mortgage or convey money security interest in association property -- Limitations: RCW [28A.335.100](#).

School districts agreements with other governmental entities for transportation of students, the public or other noncommon school purposes -- Limitations: RCW [28A.160.120](#).

### **39.34.010**

#### **Declaration of purpose.**

It is the purpose of this chapter to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities.

[1967 c 239 § 1.]

#### **Notes:**

Joint operations by municipal corporations and political subdivisions, deposit and control of funds: RCW [43.09.285](#).

### **39.34.020**

#### **Definitions.**

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Public agency" means any agency, political subdivision, or unit of local government of this state including, but not limited to, municipal corporations, quasi municipal corporations, special purpose districts, and local service districts; any agency of the state government; any agency of the United States; any Indian tribe recognized as such by the federal government; and any political subdivision of another state.

(2) "State" means a state of the United States.

(3) "Watershed management partnership" means an interlocal cooperation agreement formed under the authority of RCW [39.34.200](#).

(4) "WRIA" has the definition in RCW [90.82.020](#).

[2003 c 327 § 3; 1985 c 33 § 1; 1979 c 36 § 1; 1977 ex.s. c 283 § 13; 1975 1st ex.s. c 115 § 1; 1973 c 34 § 1; 1971 c 33 § 1; 1969 c 88 § 1; 1969 c 40 § 1; 1967 c 239 § 3.]

#### **Notes:**

**Finding -- Intent -- 2003 c 327:** See note following RCW [39.34.190](#).

**Severability -- 1977 ex.s. c 283:** See note following RCW [28A.310.010](#).

### **39.34.030**

#### **Joint powers — Agreements for joint or cooperative action, requisites, effect on responsibilities of component agencies — Financing of joint projects.**

(1) Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having the power or powers, privilege or authority, and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States permit such joint exercise or enjoyment. Any agency of the state government when acting jointly with any public agency may exercise and enjoy all of the powers, privileges and authority conferred by this chapter upon a public agency.

(2) Any two or more public agencies may enter into agreements with one another for joint or cooperative action pursuant to

the provisions of this chapter, except that any such joint or cooperative action by public agencies which are educational service districts and/or school districts shall comply with the provisions of RCW

**28A.320.080.** Appropriate action by ordinance, resolution or otherwise pursuant to law of the governing bodies of the participating public agencies shall be necessary before any such agreement may enter into force.

(3) Any such agreement shall specify the following:

(a) Its duration;

(b) The precise organization, composition and nature of any separate legal or administrative entity created thereby together with the powers delegated thereto, provided such entity may be legally created. Such entity may include a nonprofit corporation organized pursuant to chapter 24.03 or 24.06 RCW whose membership is limited solely to the participating public agencies or a partnership organized pursuant to chapter 25.04 or 25.05 RCW whose partners are limited solely to participating public agencies, or a limited liability company organized under chapter 25.15 RCW whose membership is limited solely to participating public agencies, and the funds of any such corporation, partnership, or limited liability company shall be subject to audit in the manner provided by law for the auditing of public funds;

(c) Its purpose or purposes;

(d) The manner of financing the joint or cooperative undertaking and of establishing and maintaining a budget therefor;

(e) The permissible method or methods to be employed in accomplishing the partial or complete termination of the agreement and for disposing of property upon such partial or complete termination; and

(f) Any other necessary and proper matters.

(4) In the event that the agreement does not establish a separate legal entity to conduct the joint or cooperative undertaking, the agreement shall contain, in addition to provisions specified in subsection (3)(a), (c), (d), (e), and (f) of this section, the following:

(a) Provision for an administrator or a joint board responsible for administering the joint or cooperative undertaking. In the case of a joint board, public agencies that are party to the agreement shall be represented; and

(b) The manner of acquiring, holding and disposing of real and personal property used in the joint or cooperative undertaking. Any joint board is authorized to establish a special fund with a state, county, city, or district treasurer servicing an involved public agency designated "Operating fund of . . . . . joint board".

(5) No agreement made pursuant to this chapter relieves any public agency of any obligation or responsibility imposed upon it by law except that:

(a) To the extent of actual and timely performance thereof by a joint board or other legal or administrative entity created by an agreement made pursuant to this chapter, the performance may be offered in satisfaction of the obligation or responsibility; and

(b) With respect to one or more public agencies purchasing or otherwise contracting through a bid, proposal, or contract awarded by another public agency or by a group of public agencies, any statutory obligation to provide notice for bids or proposals that applies to the public agencies involved is satisfied if the public agency or group of public agencies that awarded the bid, proposal, or contract complied with its own statutory requirements and either (i) posted the bid or solicitation notice on a web site established and maintained by a public agency, purchasing cooperative, or similar service provider, for purposes of posting public notice of bid or proposal solicitations, or (ii) provided an access link on the state's web portal to the notice.

(6) Financing of joint projects by agreement shall be as provided by law.

[2009 c 202 § 6. Prior: 2008 c 198 § 2; 2004 c 190 § 1; 1992 c 161 § 4; 1990 c 33 § 568; 1981 c 308 § 2; 1972 ex.s. c 81 § 1; 1967 c 239 § 4.]

#### Notes:

**Finding -- 2008 c 198:** "The legislature finds that it is in the public interest for public utility districts to develop renewable energy projects to meet requirements enacted by the people in Initiative Measure No. 937 and goals of diversifying energy resource portfolios. By developing more efficient and cost-effective renewable energy projects, public utility districts will keep power costs as low as possible for their customers. Consolidating and clarifying statutory provisions governing various aspects of public utility district renewable energy project development will reduce planning time and expense to meet these objectives." [2008 c 198 § 1.]

**Intent -- 1992 c 161:** See note following RCW 70.44.450.

**Purpose -- Statutory references -- Severability -- 1990 c 33:** See RCW 28A.900.100 through 28A.900.102.

**Severability -- 1981 c 308:** See note following RCW 28A.320.080.

Joint operations by municipal corporations or political subdivisions, deposit and control of funds: RCW 43.09.285.

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### 39.34.040

#### **Methods of filing agreements — Status of interstate agreements — Real party in interest — Actions.**

Prior to its entry into force, an agreement made pursuant to this chapter shall be filed with the county auditor or, alternatively, listed by subject on a public agency's web site or other electronically retrievable public source. In the event that an agreement entered into pursuant to this chapter is between or among one or more public agencies of this state and one or more public agencies of another state or of the United States the agreement shall have the status of an interstate compact, but in any case or controversy involving performance or interpretation thereof or liability thereunder, the public agencies party thereto shall be real parties in interest and the state may maintain an action to recoup or otherwise make itself whole for any damages or liability which it may incur by reason of being joined as a party therein. Such action shall be maintainable against any public agency or agencies whose default, failure of performance, or other conduct caused or contributed to the incurring of damage or liability by the state.

[2006 c 32 § 1; 1995 c 22 § 1; 1992 c 161 § 5; 1967 c 239 § 5.]

#### **Notes:**

**Intent -- 1992 c 161:** See note following RCW 70.44.450.

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### 39.34.050

#### **Duty to submit agreement to jurisdictional state officer or agency.**

In the event that an agreement made pursuant to this chapter shall deal in whole or in part with the provision of services or facilities with regard to which an officer or agency of the state government has constitutional or statutory powers of control, the agreement shall, as a condition precedent to its entry into force, be submitted to the state officer or agency having such power of control. The agreement shall be approved or disapproved by the state officer or agency with regard to matters within his, her, or its jurisdiction within ninety days after receipt of the agreement. If a state officer or agency fails to act within the ninety-day time limit, the agreement shall be deemed approved by that state officer or agency.

[1992 c 161 § 6; 1967 c 239 § 6.]

#### **Notes:**

**Intent -- 1992 c 161:** See note following RCW 70.44.450.

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### 39.34.055

#### **Public purchase agreements with public benefit nonprofit corporations.**

The office of state procurement within the department of general administration may enter into an agreement with a public benefit nonprofit corporation to allow the public benefit nonprofit corporation to participate in state contracts for purchases administered by the office of state procurement. Such agreement must comply with the requirements of RCW

39.34.030 through 39.34.050. For the purposes of this section "public benefit nonprofit corporation" means a public benefit nonprofit corporation as defined in RCW 24.03.005 that is receiving local, state, or federal funds either directly or through a public agency other than an Indian tribe or a political subdivision of another state.

[1994 c 98 § 1.]

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**39.34.060****Participating agencies may appropriate funds and provide personnel, property, and services.**

Any public agency entering into an agreement pursuant to this chapter may appropriate funds and may sell, lease, give, or otherwise supply property, personnel, and services to the administrative joint board or other legal or administrative entity created to operate the joint or cooperative undertaking.

[1992 c 161 § 7; 1967 c 239 § 7.]

**Notes:**

**Intent -- 1992 c 161:** See note following RCW 70.44.450.

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**39.34.070****Authority of joint boards to receive loans or grants.**

Any joint board created pursuant to the provisions of this chapter is hereby authorized to accept loans or grants of federal, state or private funds in order to accomplish the purposes of this chapter provided each of the participating public agencies is authorized by law to receive such funds.

[1967 c 239 § 8.]

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**39.34.080****Contracts to perform governmental activities which each contracting agency is authorized to perform.**

Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform: PROVIDED, That such contract shall be authorized by the governing body of each party to the contract. Such contract shall set forth fully the purposes, powers, rights, objectives, and responsibilities of the contracting parties.

[1967 c 239 § 9.]

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**39.34.085****Agreements for operation of bus services.**

In addition to the other powers granted by chapter

39.34 RCW, one or more cities or towns or a county, or any combination thereof, may enter into agreements with each other or with a public transportation agency of a contiguous state, or contiguous Canadian province, to allow a city or such other transportation agency to operate bus service for the transportation of the general public within the territorial boundaries of such city and/or county or to allow such city and/or county to operate such bus service within the jurisdiction of such other public agency when no such existing bus certificate of public convenience and necessity has been authorized by the Washington utilities and transportation commission: PROVIDED, HOWEVER, That such transportation may extend beyond the territorial boundaries of either party to the agreement if the agreement so provides, and if such service is not in conflict with existing bus service authorized by the Washington utilities and transportation commission. The provisions of this section shall be cumulative and nonexclusive and shall not affect any other right granted by this chapter or any other provision of law.

[1977 c 46 § 1; 1969 ex.s. c 139 § 1.]

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**39.34.090****Agencies' contracting authority regarding electricity, utilities' powers, preserved.**

Nothing in this chapter shall be construed to increase or decrease existing authority of any public agency of this state to enter into agreements or contracts with any other public agency of this state or of any other state or the United States with regard to the generation, transmission, or distribution of electricity or the existing powers of any private or public utilities.

[1967 c 239 § 10.]

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**39.34.100****Powers conferred by chapter are supplemental.**

The powers and authority conferred by this chapter shall be construed as in addition and supplemental to powers or authority conferred by any other law, and nothing contained herein shall be construed as limiting any other powers or authority of any public agency.

[1967 c 239 § 11.]

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**39.34.110****Powers otherwise prohibited by Constitutions or federal laws.**

No power, privilege, or other authority shall be exercised under this chapter where prohibited by the state Constitution or the Constitution or laws of the federal government.

[1967 c 239 § 12.]

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**39.34.130****Transactions between state agencies — Charging of costs — Regulation by director of financial management.**

Except as otherwise provided by law, the full costs of a state agency incurred in providing services or furnishing materials to or for another agency under chapter

39.34 RCW or any other statute shall be charged to the agency contracting for such services or materials and shall be repaid and credited to the fund or appropriation against which the expenditure originally was charged. Amounts representing a return of expenditures from an appropriation shall be considered as returned loans of services or of goods, supplies or other materials furnished, and may be expended as part of the original appropriation to which they belong without further or additional appropriation. Such interagency transactions shall be subject to regulation by the director of financial management, including but not limited to provisions for the determination of costs, prevention of interagency contract costs beyond those which are fully reimbursable, disclosure of reimbursements in the governor's budget and such other requirements and restrictions as will promote more economical and efficient operations of state agencies.

Except as otherwise provided by law, this section shall not apply to the furnishing of materials or services by one agency to another when other funds have been provided specifically for that purpose pursuant to law.

[1979 c 151 § 45; 1969 ex.s. c 61 § 1.]

**Notes:**

Duty to submit agreement of jurisdictional state officer or agency: RCW 39.34.050.

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**39.34.140****Transactions between state agencies — Procedures for payments through transfers upon accounts.**

The director of financial management may establish procedures whereby some or all payments between state agencies may be made by transfers upon the accounts of the state treasurer in lieu of making such payments by warrant or check. Such procedures, when established, shall include provision for corresponding entries to be made in the accounts of the affected agencies.

[1979 c 151 § 46; 1969 ex.s. c 61 § 2.]

**39.34.150****Transactions between state agencies — Advancements.**

State agencies are authorized to advance funds to defray charges for materials to be furnished or services to be rendered by other state agencies. Such advances shall be made only upon the approval of the director of financial management, or his order made pursuant to an appropriate regulation requiring advances in certain cases. An advance shall be made from the fund or appropriation available for the procuring of such services or materials, to the state agency which is to perform the services or furnish the materials, in an amount no greater than the estimated charges therefor.

[1979 c 151 § 47; 1969 ex.s. c 61 § 3.]

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**39.34.160****Transactions between state agencies — Time limitation for expenditure of advance — Unexpended balance.**

An advance made under RCW

39.34.130 through 39.34.150 from appropriated funds shall be available for expenditure for no longer than the period of the appropriation from which it was made. When the actual costs of materials and services have been finally determined, and in no event later than the lapsing of the appropriation, any unexpended balance of the advance shall be returned to the agency for credit to the fund or account from which it was made.

[1969 ex.s. c 61 § 4.]

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**39.34.170****Transactions between state agencies — Powers and authority cumulative.**

The powers and authority conferred by RCW

39.34.130 through 39.34.160 shall be construed as in addition and supplemental to powers or authority conferred by any other law, and not to limit any other powers or authority of any public agency expressly granted by any other statute.

[1969 ex.s. c 61 § 5.]

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**39.34.180****Criminal justice responsibilities — Interlocal agreements — Termination.**

(1) Each county, city, and town is responsible for the prosecution, adjudication, sentencing, and incarceration of misdemeanor and gross misdemeanor offenses committed by adults in their respective jurisdictions, and referred from their respective law enforcement agencies, whether filed under state law or city ordinance, and must carry out these responsibilities through the use of their own courts, staff, and facilities, or by entering into contracts or interlocal agreements under this chapter to provide these services. Nothing in this section is intended to alter the statutory responsibilities of each county for the prosecution, adjudication, sentencing, and incarceration for not more than one year of felony offenders, nor shall this section apply to any offense initially filed by the prosecuting attorney as a felony offense or an attempt to commit a felony offense.

(2) The following principles must be followed in negotiating interlocal agreements or contracts: Cities and counties must consider (a) anticipated costs of services; and (b) anticipated and potential revenues to fund the services, including fines and fees, criminal justice funding, and state-authorized sales tax funding levied for criminal justice purposes.

(3) If an agreement as to the levels of compensation within an interlocal agreement or contract for gross misdemeanor and misdemeanor services cannot be reached between a city and county, then either party may invoke binding arbitration on the compensation issued by notice to the other party. In the case of establishing initial compensation, the notice shall request arbitration within thirty days. In the case of nonrenewal of an existing contract or interlocal agreement, the notice must be given one hundred twenty days prior to the expiration of the existing contract or agreement and the existing contract or agreement remains in effect until a new agreement is reached or until an arbitration award on the matter of fees is made. The city and county each select one arbitrator, and the initial two arbitrators pick a third arbitrator.

(4) A city or county that wishes to terminate an agreement for the provision of court services must provide written notice of the intent to terminate the agreement in accordance with RCW

3.50.810 and 35.20.010.

(5) For cities or towns that have not adopted, in whole or in part, criminal code or ordinance provisions related to misdemeanor and gross misdemeanor crimes as defined by state law, this section shall have no application until July 1, 1998.

[2001 c 68 § 4; 1996 c 308 § 1.]

**Notes:**

**Effective date -- 1996 c 308:** "This act shall take effect January 1, 1997." [1996 c 308 § 2.]

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**39.34.190**

**Watershed management plan projects — Use of water-related revenues.**

(1) The legislative authority of a city or county and the governing body of any special purpose district enumerated in subsection (2) of this section may authorize up to ten percent of its water-related revenues to be expended in the implementation of watershed management plan projects or activities that are in addition to the county's, city's, or district's existing water-related services or activities. Such limitation on expenditures shall not apply to water-related revenues of a public utility district organized according to Title

54 RCW. Water-related revenues include rates, charges, and fees for the provision of services relating to water supply, treatment, distribution, and management generally, and those general revenues of the local government that are expended for water management purposes. A local government may not expend for this purpose any revenues that were authorized by voter approval for other specified purposes or that are specifically dedicated to the repayment of municipal bonds or other debt instruments.

(2) The following special purpose districts may exercise the authority provided by this section:

- (a) Water districts, sewer districts, and water-sewer districts organized under Title 57 RCW;
- (b) Public utility districts organized under Title 54 RCW;
- (c) Irrigation, reclamation, conservation, and similar districts organized under Titles 87 and 89 RCW;
- (d) Port districts organized under Title 53 RCW;
- (e) Diking, drainage, and similar districts organized under Title 85 RCW;
- (f) Flood control and similar districts organized under Title 86 RCW;
- (g) Lake or beach management districts organized under chapter 36.61 RCW;
- (h) Aquifer protection areas organized under chapter 36.36 RCW; and
- (i) Shellfish protection districts organized under chapter 90.72 RCW.

(3) The authority for expenditure of local government revenues provided by this section shall be applicable broadly to the implementation of watershed management plans addressing water supply, water transmission, water quality treatment or protection, or any other water-related purposes. Such plans include but are not limited to plans developed under the following authorities:

- (a) Watershed plans developed under chapter 90.82 RCW;
- (b) Salmon recovery plans developed under chapter 77.85 RCW;
- (c) Watershed management elements of comprehensive land use plans developed under the growth management act, chapter 36.70A RCW;
- (d) Watershed management elements of shoreline master programs developed under the shoreline management act, chapter 90.58 RCW;
- (e) Nonpoint pollution action plans developed under the Puget Sound water quality management planning authorities of chapter 90.71 RCW and chapter 400-12 WAC;
- (f) Other comprehensive management plans addressing watershed health at a WRIA level or sub-WRIA basin drainage

level;

- (g) Coordinated water system plans under chapter 70.116 RCW and similar regional plans for water supply; and
- (h) Any combination of the foregoing plans in an integrated watershed management plan.

(4) The authority provided by this section to expend revenues for watershed management plan implementation shall be construed broadly to include, but not be limited to:

- (a) The coordination and oversight of plan implementation, including funding a watershed management partnership for this purpose;
- (b) Technical support, monitoring, and data collection and analysis;
- (c) The design, development, construction, and operation of projects included in the plan; and
- (d) Conducting activities and programs included as elements in the plan.

[2008 c 301 § 26; 2003 c 327 § 2.]

**Notes:**

**Finding -- Intent -- 2003 c 327:** "The legislature finds that throughout Washington state there are many active efforts to protect, manage, and restore watersheds. The state's river systems provide a variety of benefits for society's many needs, so efforts to protect these watersheds should reflect the diversity of social, environmental, and economic factors that make the state unique.

Yet, there is a conflict between the natural flow of river systems and the way watersheds are governed. From a hydrological standpoint, a watershed is a single, integrated system. But these systems usually flow through a number of cities, counties, and other municipalities as they move from their source to the sea. As a result, many are subject to the full range of management interests, including multiple government entities with jurisdiction over water. In many cases, the political boundaries of government do not align with the hydrological boundaries of watersheds and may actually hinder the implementation of coordinated, cooperative plans. Cooperative watershed management actions by local governments, special districts, and utilities can help maintain healthy watershed function and support the beneficial use of water by these entities and protect the quality of the resource that they use or affect. By participating in cooperative watershed management actions, local governments, special districts, and utilities are acting in the public interest and in a manner that is intended to sustain maximum beneficial use and high quality of water over time and to maintain the services that these entities provide.

Therefore, it is the intent of this act to remove statutory barriers that may prevent local governments from working together in the creation and implementation of cooperative, coordinated watershed plans. In addition, it is the further intent of this act to provide additional authorities to assist in such implementation." [2003 c 327 § 1.]

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**39.34.200**

**Watershed management partnerships — Formation.**

Any two or more public agencies may enter into agreements with one another to form a watershed management partnership for the purpose of implementing any portion or all elements of a watershed management plan, including the coordination and oversight of plan implementation. The plan may be any plan or plan element described in RCW

39.34.190(3). The watershed partnership agreement shall include the provisions required of all interlocal agreements under RCW 39.34.030(3). The agreement shall be filed pursuant to RCW 39.34.040 with the county auditor of each county lying within the geographical watershed area to be addressed by the partnership. The public agencies forming the partnership shall designate a treasurer for the deposit, accounting, and handling of the funds of the partnership. The treasurer shall be either a county treasurer or a city treasurer of a county or city participating in the agreement to form the partnership.

[2003 c 327 § 4.]

**Notes:**

**Finding -- Intent -- 2003 c 327:** See note following RCW 39.34.190.

**39.34.210****Watershed management partnerships — Indebtedness — Bonds.**

Where a watershed management partnership formed under the authority of RCW

39.34.200 establishes a separate legal entity to conduct the cooperating undertaking of the partnership, such legal entity is authorized for the purpose of carrying out such undertaking to contract indebtedness and to issue and sell general obligation bonds pursuant to and in the manner provided for general county bonds in chapters 36.67 and 39.46 RCW and other applicable statutes, and to issue revenue bonds pursuant to and in the manner provided for revenue bonds in chapter 36.67 RCW and other applicable statutes. The joint board established by the partnership agreement shall perform the functions referenced in chapter 36.67 RCW to be performed by the county legislative authority in the case of county bonds.

[2003 c 327 § 6.]

**Notes:**

**Finding -- Intent -- 2003 c 327:** See note following RCW 39.34.190.

**39.34.215****Watershed management partnerships — Eminent domain authority.**

\*\*\* CHANGE IN 2011 \*\*\* (SEE

5241.SL) \*\*\*

(1) As limited in subsection (3) of this section, a watershed management partnership formed or qualified under the authority of RCW 39.34.200 and 39.34.210, including the separate legal entity established by such a partnership under RCW 39.34.030(3) (b) to conduct the cooperative undertaking of the partnership under the same statutory authority, may exercise the power of eminent domain as provided in chapter 8.12 RCW.

(2) The eminent domain authority granted under subsection (1) of this section may be exercised only for those utility purposes for which the watershed partnership was formed and is limited solely to providing water services to its customers.

(3) Subsection (1) of this section applies only to a watershed management partnership that:

(a) Was formed or qualified before July 1, 2006, under the authority of RCW 39.34.200 and 39.34.210;

(b) Is not engaged in planning or in implementing a plan for a water resource inventory area under the terms of chapter 90.82 RCW;

(c) Is composed entirely of cities and water-sewer districts authorized to exercise the power of eminent domain in the manner provided by chapter 8.12 RCW; and

(d) Is governed by a board of directors consisting entirely of elected officials from the cities and water-sewer districts that constitute the watershed management partnership.

(4) A watershed management partnership exercising authority under this section shall:

(a) Comply with the notice requirements of RCW 8.25.290;

(b) Provide notice to the city, town, or county with jurisdiction over the subject property by certified mail thirty days prior to the partnership board authorizing condemnation; and

(c) With any city that is not a member of the watershed management partnership and that has water or sewer service areas within one-half mile of Lake Tapps or water or sewer service areas within five miles upstream from Lake Tapps along the White river, enter into an interlocal agreement to allow eminent domain within that city prior to exercising eminent domain authority under this section.

(5) The legislature is currently unaware of any information suggesting that the expected use by the watershed management partnership of the Lake Tapps water supply will have a significantly adverse effect on surrounding communities. However, if

the watershed management partnership's Lake Tapps water supply operations result in a negative impact to the water supplies of a city that is not a member of the watershed management partnership and the city has water or sewer service areas within one-half mile of Lake Tapps or water or sewer service areas within five miles upstream from Lake Tapps along the White river, the city claiming a negative impact under this subsection must notify the watershed management partnership of their claim and give the partnership at least sixty days to resolve the claimed impact. If the watershed management partnership fails to resolve the claimed negative impact or disputes that the negative impact exists, the city claiming the negative impact under this subsection may pursue existing legal remedies in accordance with state and federal law. If a court determines that a negative impact has occurred as provided under this subsection, the watershed management partnership shall implement a remedy acceptable to the claiming city. If the affected city or cities and the watershed management partnership cannot agree on the terms required under this subsection, the court shall establish the terms for the remedy required under this subsection.

[2009 c 504 § 1.]

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### 39.34.220

#### **Watershed management plans — Additional authority for implementation — Existing agreements not affected.**

The amendments by chapter 327, Laws of 2003 to the interlocal cooperation act authorities are intended to provide additional authority to public agencies for the purposes of implementing watershed management plans, and do not affect any agreements among public agencies existing on July 27, 2003.

[2003 c 327 § 7.]

#### **Notes:**

**Finding -- Intent -- 2003 c 327:** See note following RCW [39.34.190](#).

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### 39.34.230

#### **Covered emergencies — Interlocal agreements for mutual aid and cooperation — Liability of state — Existing rights.**

(1) During a covered emergency, the \*department of community, trade, and economic development may enter into interlocal agreements under this chapter with one or more public agencies for the purposes of providing mutual aid and cooperation to any public agency affected by the cause of the emergency.

(2) All legal liability by a public agency and its employees for damage to property or injury or death to persons caused by acts done or attempted during, or while traveling to or from, a covered emergency, or in preparation for a covered emergency, pursuant to an interlocal agreement entered into under this section, or under the color of this section in a bona fide attempt to comply therewith, shall be the obligation of the state of Washington. Suits may be instituted and maintained against the state for the enforcement of such liability, or for the indemnification of any public agency or its employees for damage done to their private property, or for any judgment against them for acts done in good faith in compliance with this chapter: PROVIDED, That the foregoing shall not be construed to result in indemnification in any case of willful misconduct, gross negligence, or bad faith on the part of any public agency or any of a public agency's employees: PROVIDED, That should the United States or any agency thereof, in accordance with any federal statute, rule, or regulation, provide for the payment of damages to property and/or for death or injury as provided for in this section, then and in that event there shall be no liability or obligation whatsoever upon the part of the state of Washington for any such damage, death, or injury for which the United States government assumes liability.

(3) For purposes of this section, "covered emergency" means an emergency for which the governor has proclaimed a state of emergency under RCW

[43.06.010](#), and for which the governor has authorized the \*department of community, trade, and economic development to enter into interlocal agreements under this section.

(4) This section shall not affect the right of any person to receive benefits to which he or she would otherwise be entitled under the workers' compensation law, or under any pension or retirement law, nor the right of any such person to receive any benefits or compensation under any act of congress.

[2008 c 181 § 101.]

#### **Notes:**

**\*Reviser's note:** The "department of community, trade, and economic development" was renamed the "department of commerce" by 2009 c 565.

**Part headings not law -- 2008 c 181:** See note following RCW 43.06.220.

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**39.34.900****Short title.**

This chapter may be cited as the "Interlocal Cooperation Act."

[1967 c 239 § 2.]

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**39.34.910****Severability — 1967 c 239.**

If any provision of this chapter, or its application to any person or circumstance is held invalid, the remainder of the chapter, or the application of the provision to other persons or circumstances is not affected.

[1967 c 239 § 14.]

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**39.34.920****Effective date — 1967 c 239.**

The effective date of this chapter is July 1, 1967.

[1967 c 239 § 15.]

## Appendix F – Policy Papers on Governance, Financing, and Legal Aspects of Flood District Formation

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## **Watershed Management Partnerships Under the Interlocal Cooperation Act**

The Chehalis River Basin Flood Authority's focus on a basin-wide approach suggests that a "watershed management partnership" (a "WMP") could serve as the appropriate type of interlocal entity to begin work on basin-wide projects. A WMP could serve as a long-term interlocal entity, or on an interim basis until statutory adjustments allow formation of a flood control zone district that controls territory in more than one county.

The Interlocal Cooperation Act (Chapter 39.34 RCW) allows Washington public agencies to carry out any of their powers on a cooperative basis with similar agencies. "Public agencies" include municipal corporations, quasi-municipal corporations, special purpose districts and state agencies (RCW 39.34.020). Any of those entities may, under RCW 39.34.030, enter into interlocal agreements with each other, with state or local agencies of other states, and with federally-recognized tribes, and jointly exercise any of their powers, privileges or authority.

When governments decide to carry out their powers on a joint basis, the Interlocal Cooperation Act lets them organize their activities in several ways: by organizing as a loose, unincorporated "joint board," or as a nonprofit corporation, a limited liability company (LLC) or a partnership. LLCs and partnerships are rare; most interlocal entities organize either as nonprofit corporations or as joint boards.

There are some restrictions on what interlocal entities can do. Such an entity may carry out only those activities that *all* of its members may undertake. For example, an interlocal entity formed by health districts and health departments may provide public health inspections or programs on a cooperative basis, but if several sewer districts were to join with several public health districts to jointly carry out programs, those programs would have to be restricted to wastewater and drainage-related activities. This is a "lowest common denominator" rule. An interlocal entity formed as a joint board does not have clear authority to buy and sell property, own property, hire employees, and take other actions that are usually carried out by distinct corporations, and a joint board does not shield its member governments from liability arising from its actions. Interlocal entities (regardless of how they are organized) normally may not issue bonds or condemn property—they must depend on their members to do that for them.

Watershed management partnerships ("WMPs") are a special type of interlocal entity formed under RCW 39.34.190 -.220. Two or more "public agencies" may form a WMP "for the purpose of implementing any portion or all elements of a watershed management plan, including the coordination and oversight of plan implementation" (RCW 39.34.200). The statute gives members of watershed management partnerships an array of tools to carry out a number of water-related plans, including watershed plans under RCW 90.82, watershed management elements of GMA plans, coordinated water systems plans under RCW 70.116, and various other water plans. "Watershed management plan" is defined by RCW 39.34.190(3) to include any type of plan to address "water supply, water transmission, water quality treatment or protection, or any other water-related purposes." If formed as a separate legal entity, *i.e.*, a public nonprofit corporation, a WMP (in contrast with other types of interlocal bodies) is authorized to issue bonds to finance its projects under RCW 39.34.210. Certain WMPs (currently only Cascade Water Alliance) may directly exercise the power of eminent domain under RCW 39.34.215.

# CHEHALIS RIVER BASIN FLOOD AUTHORITY

## ISSUE PAPER: GOVERNANCE

The Chehalis River Basin Flood Authority has determined that a multi-county interlocal agency is necessary to coordinate near-term Chehalis River basin-wide flood hazard management. The agency may initially take the form of a watershed management partnership. The agency could then operate as a watershed management partnership on an ongoing basis, or it could be replaced by a multi-county flood control zone district. The option of a multi-county flood control zone district will require statutory changes likely to take longer than the Authority has to establish an initial funding source.

Still, it is with an eye to the future type of entity that would manage Chehalis River Basin flood solutions that the issue of governance must be addressed among those affected by flooding in the Basin, including portions of Lewis County, Grays Harbor County, Thurston County, cities in the Basin, the State of Washington, the Chehalis Tribe, and others.

This paper examines the issue of governance: how should the interlocal agency be structured to define expectations, grant power, and verify performance? In other words, how should the agency be set up to exercise the management of policy and funding to meet the short-term objectives embodied in the interlocal agreement that will create the initial interlocal agency, and the long-term, more permanent, objectives of the Chehalis River Basin “flood district” in whatever form that entity ultimately takes.

It is necessary to review the authorization and limitations of potential long-term entities in order to inform, if not guide, the initial governance decisions for the interlocal agency.

### Flood Control Zone District Governance

The flood control zone district authority is relevant for two reasons. First, the members of the initial interlocal agency will include at least one (Lewis County), likely two (to include Grays Harbor County), and possibly three flood control zone districts. Second, with statutory changes, the creation of a multi-county flood control zone district may become possible, and the entity of choice to manage flooding in the basin over the long term.

Based on the current statutory authority, a Flood Control Zone District (“FCZD”) is created by a vote of the Board of County Commissioners within a County. The FCZD boundary may include a portion of a county or the entire county, including all the cities within the boundary. Individual FCZDs could be created and combined by interlocal agreement to achieve a similar end. The statute does not allow overlapping FCZDs. The FCZD makes decisions on rates, taxes, and/or assessments for flood control within the boundary, including capital, maintenance and operations, and administrative costs. The Board of County Commissioners serves as the initial Board of Supervisors for an FCZD, but there is an option to have a separate elected board for a District.

It is assumed that each county would form an FCZD whose border would match the border of the Chehalis River Basin as a sub-zone.

RCW 86.15.025 authorizes the formation of sub-flood control zone districts, or subzones, providing also that subzones “shall have authority to exercise any and all powers conferred by the provisions of RCW 86.15.080 as now law or hereafter amended.” [RCW 86.15.080 defines the general powers of flood control zone districts.]

The supervision of subzones is also provided for in RCW 86.15.050. The section states that the board of county commissioners (BOCC) in any county shall be, by virtue of their office, the supervisors of any subzones.

In subzones with more than 2,000 residents, however, the law provides two ways that subzone supervisors can be elected (at the expense of the subzone). The first method requires that the Board authorize, by resolution, the election of subzone supervisors. The second method requires a citizen petition to authorize an election of subzone supervisors. In order for a citizen petition to be valid, it must have been signed by more than 15% of the registered voters, in the area of the subzone, who voted in the last election. Under current law, there are to be three elected zone supervisors.

The supervisors are authorized to adopt zone budgets after a public hearing. The supervisors also may authorize property taxes up to \$.50 / \$1,000 in assessed value, charges on properties served and who contribute to increased stormwater runoff, and assessments on property specially benefited by flood improvements. Property taxes in excess of \$.50 / \$1,000 may be authorized by vote of those in the zone.

The county engineer is authorized to administer subzones, although those duties may be delegated. In subzones with elected supervisors, the law (RCW 86.15.060) authorizes the supervisors to “provide for administration of the affairs of the zone by other than the county engineer.”

Finally, for any subzone, RCW 86.15.070 authorizes the Board to appoint an advisory committee of up to five members to serve without pay and at the pleasure of the Board. The Board of a countywide FCZD is authorized to appoint an advisory committee of up to fifteen members.

The decision whether or not to authorize election of supervisors in a subzone impacts governance of the entity in a number of ways. As noted previously, elected supervisors would presumably make decisions about flood hazard management, funding, etc., in the Basin with fewer other issues to weigh in their decision-making. In addition, zones with elected supervisors are specifically released from using the county engineer to administer the zone. Together, these powers imply a greater level of independence from each County Board of Commissioners, and hence, each county.

A multi-county interlocal agency could be established among flood control zone districts and a surface water utility or other County entity that could provide the revenue needed to cover its share of interlocal agency costs. However, the establishment of the initial interlocal agency, and the subsequent transition to a multi-county flood control zone district, is made much easier when the parties have like powers – as they would if they were all FCZDs.

## Watershed Management Partnerships

Since its enactment in 1967, the Interlocal Cooperation Act (Chapter 39.34 RCW) has allowed Washington public agencies to carry out any of their powers on a cooperative basis with other such agencies. “Public agencies” are defined by RCW 39.34.020 to include municipal corporations, quasi-municipal corporations, special purpose districts and state agencies. Any of those entities are empowered by RCW 39.34.030 to enter into interlocal agreements with each other, with state or local agencies of other states, and with federally-recognized tribal governments, to jointly exercise any of their powers, privileges or authorities.

When governments decide to carry out their powers on a joint basis, the Interlocal Cooperation Act lets them organize their activities in several ways: by organizing as a loose, unincorporated “joint board,” as a nonprofit corporation, a limited liability company (LLC) or a partnership. LLCs and partnerships are rare; most interlocal entities organize either as nonprofit corporations or as joint boards.

There are some restrictions on what interlocal entities can do. Such an entity may carry out only those activities that all of its members may undertake. For example, an interlocal entity formed by health districts and health departments may provide public health inspections or programs on a cooperative basis, but if several sewer districts were to join with several public health districts to jointly carry out programs, those programs would have to be restricted to wastewater and drainage-related activities. This is a “lowest common denominator” rule. An interlocal entity formed as a joint board does not have clear authority to buy and sell property, own property, hire employees, and take other actions that are usually carried out by distinct corporations, and a joint board does not shield its member governments from liability arising from its actions. Interlocal entities (regardless of how they are organized) normally may not issue bonds or condemn property—they must depend on their members to do that for them.

Watershed management partnerships (“WMPs”) are a special type of interlocal entity formed under RCW 39.34.190 -.220. Two or more “public agencies” may form a WMP “for the purpose of implementing any portion or all elements of a watershed management plan, including the coordination and oversight of plan implementation” (RCW 39.34.200). The statute gives members of watershed management partnerships an array of tools to carry out a number of water-related plans, including watershed plans under RCW 90.82, watershed management elements of the Growth Management Act (GMA) plans, coordinated water systems plans under RCW 70.116, and various other water plans. “Watershed management plan” is defined by RCW 39.34.190(3) to include any type of plan to address “water supply, water transmission, water quality treatment or protection, or any other water-related purposes.” If formed as a separate legal entity, i.e., a public nonprofit corporation, a WMP (in contrast with other types of interlocal bodies) is authorized to issue bonds to finance its projects (RCW 39.34.210), however WMPs can’t levy taxes or rates – their members must do that. Certain WMPs (currently only Cascade Water Alliance) may directly exercise the power of eminent domain under RCW 39.34.215.

As a public nonprofit corporation, a watershed management partnership for the Chehalis River Basin could devise its own structures for representation and voting and codify them in the interlocal

agreement. Representation options range from large decision-making bodies composed of multiple parties (to include the counties, the State, the Chehalis Tribe, and impacted cities), to relatively small decision-making bodies (from three to five supervisors), perhaps supported by an advisory board. Interestingly, the Chehalis Basin Partnership, an existing and separate planning organization formed to assess and manage the water resources of the Chehalis River Basin, is a watershed management partnership. Representatives of the counties, cities, tribes, water utilities, ports, state departments, federal agencies, and other interests compose the membership, and make decisions by consensus. It is an example of a large decision-making body.

Should a watershed management partnership be chosen as the initial form of the interlocal agency formed to coordinate basin-wide flood hazard management, the likely parties to the interlocal agreement, and those who would provide funding for the interlocal agency, include only the FCZDs of each county – with the possible inclusion of the Chehalis Tribe and the State of Washington. We therefore favor a smaller board of up to nine members made up of representatives of the three counties, with the possible inclusion of the Chehalis Tribe and the State of Washington. Such a structure aligns well with the membership of the underlying county FCZDs, but would require the participation of a strong advisory committee. If not on the board, the advisory committee would include Chehalis Tribe, State of Washington, as well as city representatives, and would provide input to the board as a prerequisite to any budget or cost allocation decisions.

Possible voting structures similarly vary from one member one vote, to weighted voting (e.g., by revenue, population, etc.). A larger board, structured to include representatives of agencies that do not participate financially, could allow votes of all members on non-financial issues while limiting votes on financial issues such as cost allocations to parties of the interlocal agreement who contribute financially to agency activities. A nine member board composed of three representatives from each county might be well served under straight majority rule, because no single county could make decisions without substantial support from one or both of the other two counties. Examples of the types of decisions to be made, and possible voting requirements, are provided in Exhibit 1 below:

**Exhibit 1: Recommended Voting Requirements**

<b>Decision Type</b>	<b>Method</b>
1. Cost and revenue allocations to counties	Supermajority
2. Watershed management partnership work plans and budgets	Simple majority
3. Project authorization	Simple majority
4. Project Sponsor with Army Corps of Engineers	Simple majority or designee
5. Flood Hazard Management Plan Updates	Simple majority
6. Contracts with entities to execute work plans	Simple majority or designee

## Role of the State of Washington

The State of Washington is a key stakeholder in the Chehalis River Basin. Interstate 5 and a number of State highways are inundated in flood events. There are several options available to enable the State to participate in the interlocal agency. In addition to the strong advisory board concept, the State could retain a non-voting membership and make contributions to agency activities through payments or in-kind contributions (e.g., constructing capital projects). As an alternative, the State could retain a voting membership on all but financial issues.

## The Chehalis Tribe

The Chehalis Tribe is similarly affected by flooding in the Basin. Again, there are several options available to enable the Chehalis Tribe to participate in the interlocal agency. In addition to the strong advisory board concept, the Chehalis Tribe could retain a non-voting membership and make contributions to agency activities through payments or in-kind contributions (e.g., constructing capital projects). As an alternative, the Chehalis Tribe could retain a voting membership on all but financial issues.

## Cities in the Basin

There are a number of cities in the Chehalis River Basin that are impacted by flooding and a number of cities that would ultimately be impacted by flooding solutions in the Basin. Several of the cities in the Basin have existing stormwater utilities that charge ongoing rates for stormwater management. It is assumed that the interlocal agency will provide very different services – with a focus on regional, basin-wide river flooding solutions as opposed to local stormwater management. However, it is also true that most of the funding for the interlocal agency, whether from property taxes, rates, or assessments, will come from city residents and businesses. Perhaps the best way city representation could be achieved would be through participation on a strong advisory board, requiring input from members before votes by the decision-making body on any budget or cost allocation decisions.

## Preliminary Recommendations

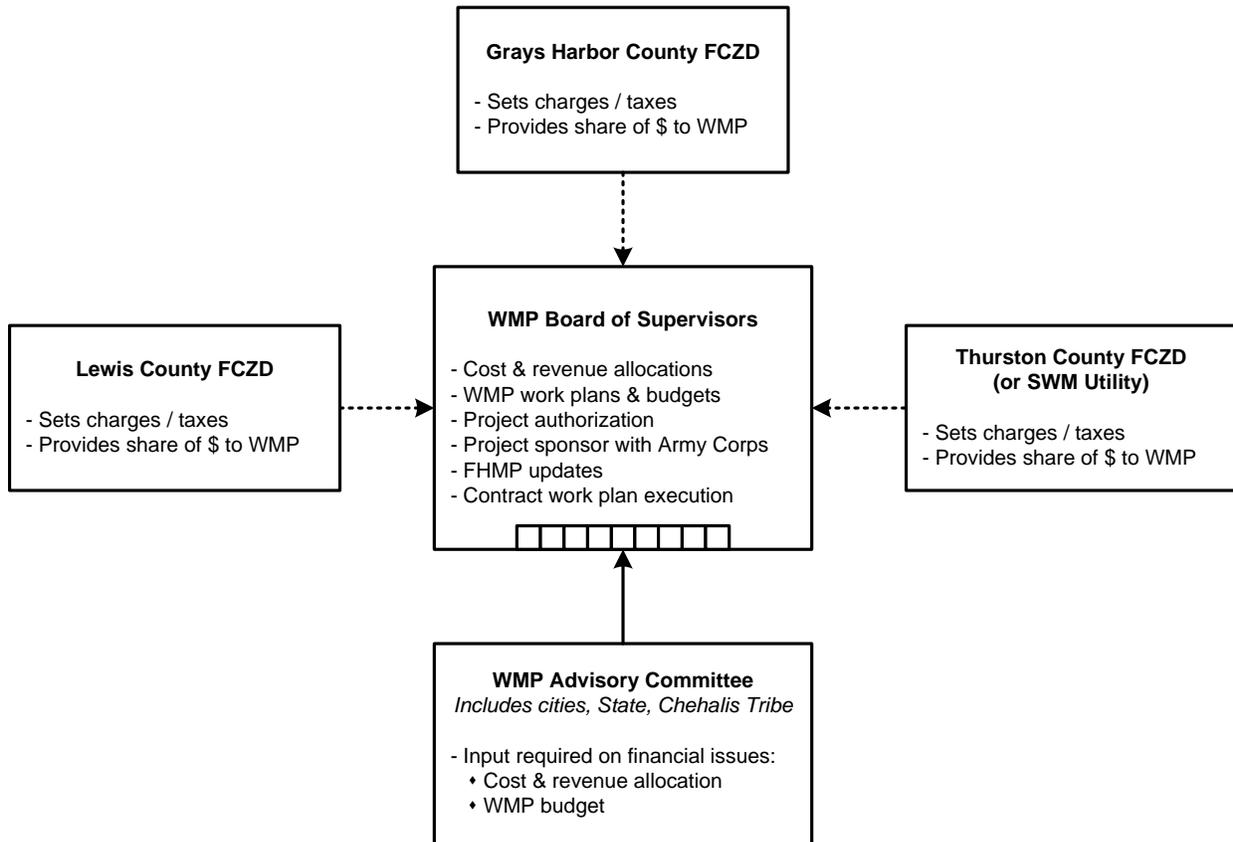
Form a nine-member decision-making body (board of supervisors), made up of the three commissioners from each of the three participating counties, with the potential addition of one additional Board member for the State and the Chehalis Tribe.

Support the Board with a strong advisory board, made up of State and Tribal representatives (if not on the board), and city representation. The board of supervisors must solicit input of advisory board on any budget and cost allocation decisions.

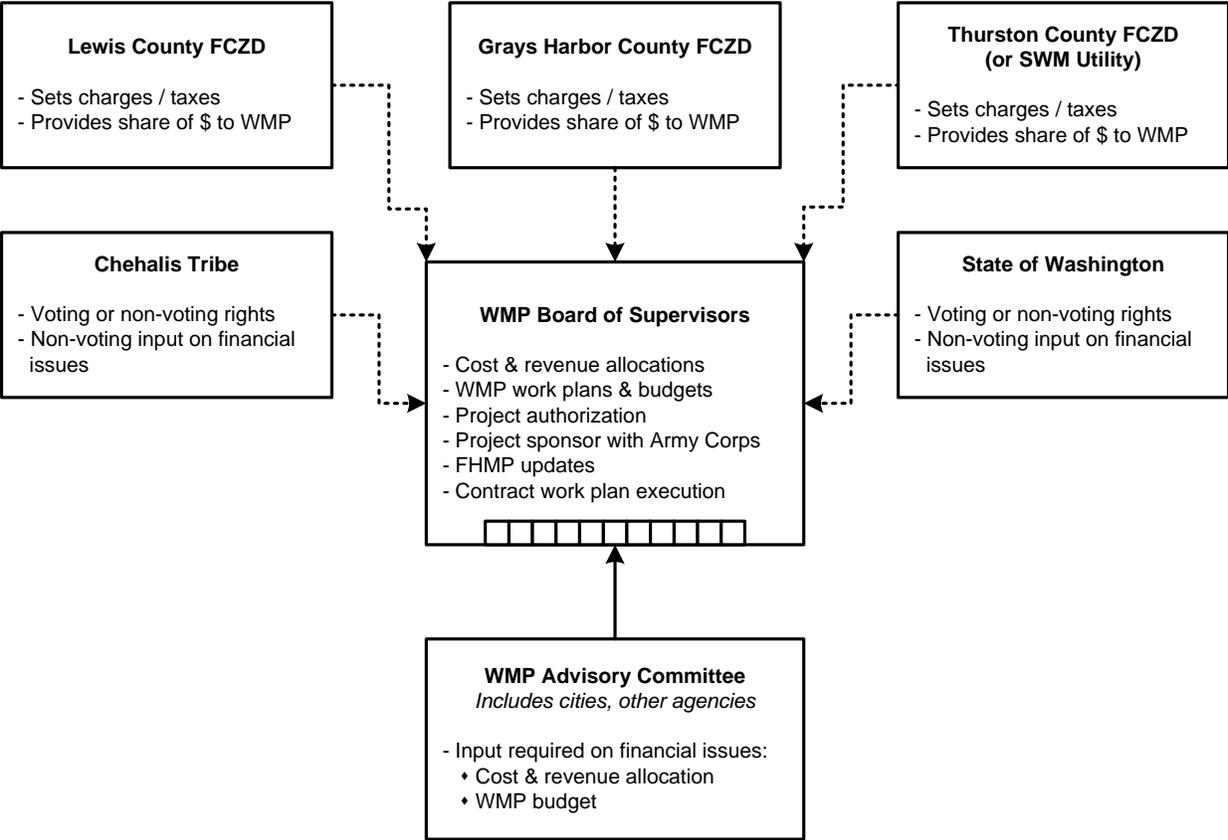
Follow voting requirements as provided in Exhibit 1 above.

A graphic representation of initial proposed WMP governance is provided below in Exhibit 2.

## Exhibit 2: Proposed WMP Governance



**Exhibit 3: Proposed WMP Governance with Expanded Board of Supervisors**



## Advantages and Disadvantages of Flood Control Districts (“FCDs”) and Flood Control Zone Districts (“FCZDs”)\*

	<b>Flood Control Districts Chapter 86.09 RCW (1937)</b>	<b>Flood Control Zone Districts Chapter 86.15 RCW (1961)</b>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>+ Can be formed as a multi-county district.</li> <li>+ Bond issuance authority is clear.</li> </ul>	<ul style="list-style-type: none"> <li>+ FCZD has taxing authority.</li> <li>+ FCZD has broad authority to charge for services.</li> <li>+ FCZD does not need county approval to issue bonds or to charge for services.</li> <li>+ No formation election required.</li> <li>+ Board may be elected or comprised of county commissioners.</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>– Formation election required.</li> <li>– No taxing authority.</li> <li>– Authority to charge only for limited services (other services require special assessments).</li> <li>– Authority to issue only revenue bonds.</li> <li>– Special assessments and bond issuance subject to county approval.</li> <li>– Board must be elected.</li> </ul>	<ul style="list-style-type: none"> <li>– Multi-county district requires statutory amendment.</li> <li>– Issuance of tax-backed bonds without a vote may require statutory amendment.</li> </ul>

\*Statutory provisions compared in further detail in pages 2 through 9 of this document.

## Outline of Statutory Provisions for Flood Control Districts (“FCDs”) and Flood Control Zone Districts (“FCZDs”)

	<b>Flood Control Districts Chapter 86.09 RCW (1937)<sup>1</sup></b>	<b>Flood Control Zone Districts Chapter 86.15 RCW (1961)</b>	<b>Comments</b>
<b>Purpose</b>	<p>The investigation, planning, construction, improvement, replacement, repair or acquisition of dams, dikes, levees, ditches, channels, canals, banks, revetments and other works, appliances, machinery and equipment and property and rights connected therewith or incidental thereto, convenient and necessary to control floods and lessen their danger and damages.</p> <p>The cooperation with any agency or agencies of the United States and/or of the state of Washington in investigating and controlling floods and in lessening flood dangers and damages. (RCW 86.09.010)</p>	<p>Undertake, operate, or maintain flood control projects or storm water control projects or groups of projects that are of special benefit to specified areas of the county (RCW 86.15.020)</p>	<p>Because FCZD powers are expressed more broadly, FCZDs have somewhat more authority.</p>
<b>Area that may be included</b>	<p>Part or all of a county or multi-county, may be wholly within boundaries of city or town; state school and other public lands may be included; federal lands includable, subject to federal statutes. (RCW 86.09.004, .013, .019)</p> <p>Each county can alter boundaries in its county. RCW 85.38.050.</p>	<p>Zone within a county that is not included in an existing zone;</p> <p>Can create countywide flood control zone district incorporating the boundaries of any and all watersheds not specifically organized into flood control zone districts</p> <p>Can create subzones which are operated as flood control zones (RCW 86.15.020)</p> <p>FCZD is authorized to enter into a watershed manage partnership or interlocal agreement. RCW 39.34.030, .120.</p>	<p>Currently, FCDs can be multi-county, but FCZDs cannot be.</p>

<sup>1</sup> Chart initially from the website of the Municipal Research and Services Center of Washington (mrsc.org) and revised by Foster Pepper PLLC.

	<b>Flood Control Districts Chapter 86.09 RCW (1937)<sup>1</sup></b>	<b>Flood Control Zone Districts Chapter 86.15 RCW (1961)</b>	<b>Comments</b>
<b>Powers</b>	<p>See RCW 86.09.151 and RCW 85.38.180</p> <p>Flood control</p> <p>Drainage, stormwater, surface water control</p> <p>Lake and river restoration, aquatic plant control, water quality</p> <p>Acquire, purchase, and condemn property (eminent domain, RCW 86.09.202-.293)</p> <p>Sell or exchange surplus property</p> <p>Accept funds and property by loan, grant, gift or otherwise</p> <p>Hire staff</p> <p>Sue and be sued</p> <p>Cooperate with other public or private agencies</p> <p>Enter into contracts</p> <p>May provide for installment contracts (RCW 86.09.175)</p> <p>Exercise any of the usual powers of a corporation for public purposes</p> <p>Lease, acquire, construct, operate and maintain water for the benefit of drainage, diking or irrigation of lands (RCW 86.09.154)</p>	<p>See RCW 86.15.080</p> <p>Exercise all the powers vested in a county for flood water or storm water control purposes under the provisions of chapters 86.12, 86.13, 36.89, and 36.94 RCW</p> <p>Plan, construct, acquire, repair, maintain, and operate all necessary equipment, facilities, improvements, and works to control, conserve, and remove flood waters and storm waters, protect quality of water sources;</p> <p>Protect life and property within the district from flood water damage;</p> <p>Control, conserve, retain, reclaim, and remove flood waters and storm waters, including waters of lakes and ponds, subject to the acquisition of appropriate water rights;</p> <p>Acquire necessary property, property rights, facilities, and equipment necessary to the purposes of the zone by purchase, gift, or condemnation: property of municipal corporations may not be acquired without the consent of such municipal corporation;</p> <p>Sue and be sued in the name of the zone;</p> <p>Acquire or reclaim lands when incidental to the purposes of the zone and dispose of such lands</p> <p>Cooperate with other public or private agencies</p>	<p>While the powers of FCDs and FCZDs are expressed differently, they are functionally similar.</p> <p>Both entities have the power of eminent domain.</p>

	<b>Flood Control Districts Chapter 86.09 RCW (1937)<sup>1</sup></b>	<b>Flood Control Zone Districts Chapter 86.15 RCW (1961)</b>	<b>Comments</b>
		<p>Accept funds or property by loan, grant, gift</p> <p>Remove debris, logs, or other material which may impede the orderly flow of waters in streams or water courses</p> <p>Extraterritorial powers (RCW 86.15.090)</p> <p>Abate nuisances (RCW 86.15.190)</p>	
<b>“Corporate Powers”</b>	Constitutes a body corporate and shall possess all the usual powers of a corporation for public purposes (RCW 86.09.148)	<p>Constitutes quasi municipal corporation, an independent taxing “authority” within the meaning of Article VII, section 1 of the state Constitution, and a “taxing district” within the meaning of Article VII, section 2 of the state Constitution.</p> <p>Constitutes a body corporate and possesses all the usual powers of a corporation for public purposes (RCW 86.15.095)</p>	Corporate power provisions are similar.
<b>Boundary Review Board</b>	Not subject to review by Boundary Review Board. RCW 85.38.001 and RCW 36.93.020(2).	Subject to review by Boundary Review Board (RCW 86.15.001)	FCZD subject to BRB review, but FCD is not.
<b>Formation</b>	<p>Initiated by petition of at least 10 property owners in county. If multi-county, petition must be filed in county in which largest portion of proposed district is in and that county must notify other counties. (RCW 85.38.020).</p> <p>Resolution by county legislative authority or authorities if multi-county (RCW 85.38.020)</p> <p>County engineer of each county included is to report on boundaries and feasibility of</p>	<p>Initiated by legislative body majority affirmative vote or petition by 25% of electors in zone based on votes cast in last county election.</p> <p>County legislative authority incorporates terms of the petition in a resolution (RCW 85.15.020)</p> <p>Notice and public hearing for districts incorporating watersheds (RCW 85.15.030)</p>	Formation of FCD requires election, while formation of FCZD does not.

	<b>Flood Control Districts Chapter 86.09 RCW (1937)<sup>1</sup></b>	<b>Flood Control Zone Districts Chapter 86.15 RCW (1961)</b>	<b>Comments</b>
	<p>projects located in county as proposed by petition or resolution. If multi-county, county engineer of each county reports on the proposal within its boundaries. (RCW 85.38.030)</p> <p>Notice and public hearing. If it is multi-county, a joint hearing shall be held. (RCW 85.38.040)</p> <p>County legislative authority or authorities may cause election if findings merit. (RCW 85.38.050-.060)</p> <p>Voters are those persons who, if the special district were created, would be special voters under RCW 85.38.010. RCW 85.38.060. Qualified voters include natural persons, corporations, partnerships, state, state agencies or political subdivisions that own land in a proposed district (time requirements apply).</p> <p>Cost of election is deemed special benefit to be included in assessment. RCW 85.38.070.</p>		
<b>SEPA Review</b>	<p>Since “creation of a district” is defined by SEPA regulations (WAC 197-11-704(2)(b)(iv)) as a “nonproject action,” the proposed establishment of a district is subject to SEPA review, which, at a minimum, requires a threshold determination under WAC 197-11-310(1).</p>		
<b>Governance</b>	<p>Three-member board of directors initially appointed by county legislative body and serves until the next special district election</p> <p>Initial terms are 6, 4, and 2 years, thereafter 6-year terms. No primary elections are held.</p> <p>County legislative body appoints members to fill vacancies.</p>	<p>Board of county commissioners are ex officio supervisors of zones (board of supervisors) (RCW 86.15.050)</p> <p>Option to elect 3 zone supervisors if district over 2,000 residents (Ch. 304 Laws of 2003)</p> <p>Advisory committees may be appointed (RCW 86.15.070)</p>	<p>FCD board is elected, while FCZD board may be either elected or comprised of county commissioners.</p>

	<b>Flood Control Districts Chapter 86.09 RCW (1937)<sup>1</sup></b>	<b>Flood Control Zone Districts Chapter 86.15 RCW (1961)</b>	<b>Comments</b>
	(RCW 85.38.070)  Member must be a qualified voter of the district, but cannot be a designee of a state, state agency, or political subdivision of the state (that is a qualified voter). RCW 85.38.070.		
<b>Finance</b>	<p>Rates and charges on owners within the district in order to implement lake or river restoration, aquatic plant control, and water quality enhancement activities. May consider the degree to which activities on the parcel contribute to the problems that the district is addressing. (RCW 85.38.145)</p> <p>Furnish water for a toll (RCW 86.09.154)</p> <p>Special assessments (RCW 85.38.150-.170) See description of process below. These are more like rates and charges based on use than LID “special assessments.”</p> <p>All governmental entities benefited by improvements are assessed (RCW 86.09.523-.529)</p> <p>Special benefit assessments on farm and agricultural land exempted (RCW 86.09.152)</p> <p>Special assessment bonds and notes, upon the approval of the county. (RCW 85.38.230) Refunding bonds also permitted. (RCW 85.38.250)</p> <p>Utility revenue bonds, upon written approval of county (RCW 86.09.592-.616)</p>	<p>Excess levy authorized by voters (RCW 86.15.160)</p> <p>Annual ad valorem property tax levy of not to exceed fifty cents per thousand dollars of assessed value (subject to proration) (RCW 86.15.160)</p> <p>Special assessments authorized for flood control districts (RCW 86.15.160) (See description of process below)</p> <p>Stormwater fee charges, including public property. Applies to those that are receiving or will receive benefits from storm water control facilities and who are contributing to an increase in surface water runoff. (RCW 86.15.160)</p> <p>Local improvement districts (RCW 86.15.160)</p> <p>Voluntary assessments for flood or stormwater control (RCW 86.15.165)</p> <p>GO Bonds, election required, debt capacity is ¾ of 1% of taxable property within the zone (RCW 86.15.170).</p> <p>Service charges including public entities (RCW 86.15.176).</p>	<p>FCD has no taxing authority, while FCZD does. But authority to issue FCZD bonds without a vote is unclear and statutory clarification would be helpful.</p> <p>FCZD has broader authority to impose service charges without a hearing and notice.</p>

	<b>Flood Control Districts Chapter 86.09 RCW (1937)<sup>1</sup></b>	<b>Flood Control Zone Districts Chapter 86.15 RCW (1961)</b>	<b>Comments</b>
		<p>Service charges must be uniform for the same class of benefits or services. Board may consider the character and use of land and its water runoff characteristics and any other matters that present a reasonable difference as a ground for distinction. Charges set by resolution, notice and hearing not required.</p> <p>Revenue Bonds (RCW 86.15.178)</p>	
<b>Comprehensive Planning</b>	<p>A comprehensive flood control management plan that includes city or town, or a special district subject to chapter 85.38 RCW, is developed by the county with the full participation of city, town, or special district, including conservation districts officials and appropriate state and federal agencies. The plan is binding on each jurisdiction and special district that is located within an area included in the plan. (RCW 86.12.200-.210)</p>	<p>Requires comprehensive plan for flood control improvements; plan is to be submitted to department of ecology (RCW 86.16) or comprehensive plan for stormwater control. See RCW 86.15.080(2) and RCW 86.15.110(2).</p>	<p>FCD is not required to have a comprehensive plan (unless levying special assessments), while an FCZD is required to have a comprehensive plan to make flood control improvements.</p> <p>A FCD comprehensive plan is made by the county and is binding on all jurisdictions within the FCD.</p>
<b>Purchasing</b>	<p>Public bid procedures for construction contracts (RCW 86.09.178-.196)</p>		<p>Public works bidding would be required by either entity. (FCZDs would be covered by chapter 39.04 RCW).</p>
<b>Annexation/Expansion</b>	<p>May annex contiguous territory by petition and election, resolution and election, or direct petition method (RCW 85.38.200)</p>	<p>No provisions. See RCW 86.15.023. No overlapping FCZDs are permitted.</p>	<p>While FCZDs are expressly prohibited from overlapping, FCDs may be subject to the same restriction under a court-made rule that discourages overlapping governments that provide competing services</p>
<b>Consolidation</b>	<p>Contiguous districts may be consolidated into a flood control district (RCW 85.38.210)</p>	<p>County legislative body may consolidate two or more zones (RCW 86.15.200)</p>	<p>Similar.</p>

	<b>Flood Control Districts Chapter 86.09 RCW (1937)<sup>1</sup></b>	<b>Flood Control Zone Districts Chapter 86.15 RCW (1961)</b>	<b>Comments</b>
<b>Withdrawal of Area within City or Town</b>	Authorized if conditions met. See RCW 85.38.213.	Not addressed	
<b>Transfer of Territory</b>	Territory must be conterminous. See RCW 85.38.215	Transfer of property (RCW 86.15.210)	Similar.
<b>County Administration</b>	<p>County may charge for costs that the county incurs in establishing a system(s) of assessments. See RCW 43.09.210 and RCW 85.38.140</p> <p>Chair of county commissioners may act when quorum not present at board of directors meeting (RCW 86.09.292)</p> <p>County legislative body approves surety bonds (RCW 86.09.304)</p> <p>Nearest county treasurer is ex officio district treasurer who collects and remit assessments, disburses funds, provides monthly report (RCW 86.09.313)</p> <p>County legislative authority establishes assessment system. (RCW 85.38.160)</p> <p>County legislative authority holds assessment hearings, prepares assessment roll (RCW 85.38.160)</p> <p>County legislative authority approves the issuance of bonds/notes.</p> <p>Whenever state grants under chapter 86.26 RCW are used in a flood control maintenance project, the county engineer</p>	<p>Administrator of affairs of zones is county engineer, unless a board of supervisors is elected. The board of supervisors may provide for administration of the zone by other than the county engineer (i.e., hire employees). (RCW 86.15.060)</p> <p>Treasurer of zone is county treasurer (RCW 86.15.130)</p> <p>County legislative body if acting as board of supervisors prepares budget at the same time county budget is prepared; requires hearing (RCW 86.15.140)</p> <p>Whenever state grants under chapter 86.26 RCW are used in a flood control maintenance project, the county engineer approves all plans for specific project and supervises the work (RCW 86.26.050-.010)</p>	<p>County treasurer is ex officio treasurer of an FCD and an FCZD. FCD must also have county approval to levy assessments and issue bonds while FCZD does not.</p>

	<b>Flood Control Districts Chapter 86.09 RCW (1937)<sup>1</sup></b>	<b>Flood Control Zone Districts Chapter 86.15 RCW (1961)</b>	<b>Comments</b>
	approves all plans for specific project and supervises the work (RCW 86.26.050-.010)		
<b>Dissolution</b>	<p>RCW 86.09.622-.625–Favorable 60% vote of electors</p> <p>Chapter 57.90 RCW for district in county with a population of 210,000 and inactive for five years</p> <p>Chapter 36.96 RCW–Dissolution of Inactive Special Purpose Districts</p>	<p>RCW 86.15.200</p> <p>County legislative authority may abolish zones (RCW 86.15.200)</p> <p>25% electors can petition to abolish zone (RCW 86.15.200)</p> <p>Chapter 36.96 RCW–Dissolution of Inactive Special Purpose Districts</p>	<p>FCD must be inactive to be dissolved by the county, while an FCZD does not.</p> <p>An FCZD is easier to dissolve by the electors than an FCD.</p>

## **Special Assessment Process** **(Authorized for Both FCD and FCZD – See “Finance” Section Above)**

Special assessments under RCW 85.38.150 through 85.38.170 may be imposed to pay for the construction, repair, and maintenance of FCD or FCZD (both, a “District”) Facilities and operations. Administrative and operational costs of a District shall be proportionally included in these special assessments. RCW 85.38.150(5).

Special assessments may be imposed only on real property (both private and public property) within a District that uses the facilities or receives benefits from the District’s operations and facilities. RCW 85.38.150(1).

The county where the greatest proportion of a District is located must adopt an assessment system by September 1<sup>st</sup> and review the system every four years. RCW 85.38.160(4). A different assessment system must be established for each class of facilities or improvements that a District provides, or will provide (i.e., separate assessment system for drainage and diking facilities). RCW 85.38.160(1). The county must create assessment zones for each assessment system. RCW 85.38.160(1).

An assessment zone reflects a different relative ratio of benefits or use that real property within the zone receives from the system’s facility/improvement. The zone receiving the greatest benefit is Zone 1 and is assigned a value of 100%. Zone 2 receives less benefit than Zone 1 and a lower percentage value. Property receiving no benefits shall be designated “nonbenefit” and a single assessment zone may be established if all the property in the District receives the same benefit. RCW 85.38.150(3).

The county can determine the ratio of benefit, or use, by considering factors such as proximity to facility, use of facility, protection by facility or other criteria established by the county. RCW 85.38.150(4).

Notice of a hearing to adopt the assessment system must be provided to each owner shown on the assessor’s role. The notice must include the amount of the assessment on the parcel that, together with all other assessments in the system of assessment, would raise one thousand dollars. RCW 85.38.160(2).

Persons objecting to the assessment system can object at the public hearing. The county shall have broad discretion in establishing systems of assessment, except for appeals, which must be made to the superior court of the county. RCW 86.38.160(3).

The board of the District adopts the District Budget and special assessments sufficient for the budget by December 1<sup>st</sup> of each year. RCW 85.38.170.

## **Advantages and Disadvantages of Interlocal Entities and Multi-County Flood Control Zone Districts (“Multi-County FCZDs”)**

The chart on the following page lists advantages and disadvantages of organizing Chehalis Flood Authority programs through either (1) an entity created under the Interlocal Cooperation Act (Ch. 39.34 RCW) or the proposed Joint Municipal Utility Services Act, or (2) a Multi-County Flood Control Zone District under the proposed legislation that the Chehalis Flood Authority has been discussing in recent months.

The first option—an interlocal entity—actually has three variations: an interlocal body created under the standard provisions of the Interlocal Cooperation Act, a “regional watershed management partnership” created under special provisions of the Interlocal Cooperation Act (RCW 39.34.190-.220), or a Joint Authority created if the proposed Joint Municipal Utility Services Act is passed. As noted on the chart, a watershed management partnership has one (and only one) significant advantage over an entity created under the standard Interlocal Cooperation Act provisions: a watershed management partnership is authorized to issue bonds backed by the revenues pledged to it by its members. If the Legislature passes the Joint Municipal Utility Services Act, it would allow formation of a joint authority with some real advantages over the traditional interlocal entity through under the Interlocal Cooperation Act. A joint authority would be able to exercise most of the powers of its members—whether they are flood control zone districts, cities, counties, and/or county stormwater utilities. The forming governments could identify which procurement, personnel, surplus property and condemnation laws would apply. If the members choose, a joint authority could charge fees directly to the public. And a joint authority could issue bonds. These variations are noted on the chart.

The two main differences between an interlocal entity and a multi-county flood control zone district are: (1) a multi-county flood control zone district can impose a property tax, and none of the interlocal entities can do that; (2) a multi-county flood control zone district, as a true government rather than an interlocal body, can have a board directly elected by the voters.

All of the approaches provide considerable flexibility in how an interlocal entity’s governing body is composed, and how its board votes.

	<b>Interlocal Contract Entities (Formed under Chap. 39.34 RCW or proposed Joint Authority Legislation)</b>	<b>Multi-County Flood Control Zone Districts</b>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>+ Can be easily formed by FCZDs, Counties, or utilities.</li> <li>+ Great flexibility in governance structure and board voting rules.</li> <li>+ Bond issuance power (only) if Joint Authority statute is enacted, or if formed as a watershed management partnership (RCW 39.34.190 et seq.).</li> <li>+ Each member entity can determine its internal taxes or charges, then contribute agreed-upon amount.</li> <li>+ Joint Authority law would permit significant flexibility in choice of tools to carry out its responsibilities (<i>e.g.</i>, which procurement, personnel, and condemnation statutes to apply).</li> <li>+ Joint Authority could charge fees, rates and charges directly to the public if the members choose that approach.</li> </ul>	<ul style="list-style-type: none"> <li>+ Multi-County FCZD has taxing authority.</li> <li>+ Multi-County FCZD can charge the public for services.</li> <li>+ Multi-County FCZD does not need county approval to issue bonds or to charge for services, unless so provided in formation agreement.</li> <li>+ No formation election required.</li> <li>+ Fair amount of flexibility in governance structure and board voting rules.</li> <li>+ Board may be elected by the public or appointed by member governments.</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>– No taxing authority.</li> <li>– No bond issuing authority under standard Chapter 39.34 provisions.</li> <li>– Joint Authority requires statutory amendment.</li> <li>– Watershed Management Partnership legislation currently includes language that implies that member utilities cannot contribute more than 10% of their revenues to the interlocal entity’s programs.</li> </ul>	<ul style="list-style-type: none"> <li>– Multi-County FCZD requires statutory amendment.</li> <li>– Cannot issue tax-backed bonds without a vote.</li> <li>– If board is directly elected, districts must be substantially equal in population, and therefore will not neatly fit within county boundaries.</li> </ul>

## Appendix G – Multijurisdictional Flood Control Zone District Legislation

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**Multi-jurisdiction Flood Control Zone District  
Legislation**

AN ACT Relating to flood control zone districts; adding a new section to chapter 86.15 RCW; and amending RCW 36.93.020, RCW 86.15.010, RCW 86.15.035, and RCW 86.15.080.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1. Zones with watershed territory in two or more counties.** A new section is added to chapter 86.15 RCW to read as follows:

(1) When a watershed comprises territory within two or more counties or reservations of federally-recognized Indian tribes, the boards of any or all of those counties, together with the appropriate authorities of any federally-recognized Indian tribes choosing to participate, may create a multi-jurisdiction zone by execution of a formation agreement that specifies the following:

- (a) The boundaries of the multi-jurisdiction zone.
- (b) The general flood control needs or requirements within the multi-jurisdiction zone.
- (c) The number of supervisors, the qualifications for supervisors, the length of their terms, and whether supervisors will be appointed or elected by district voters, or a combination of both, including:

- (i) the method of appointing any supervisor; and
- (ii) for elected supervisors, whether (1) a supervisor shall be elected by all the voters within the multi-jurisdiction zone; (2) whether a supervisor shall be elected by the voters of voting districts with substantially equal numbers of voters; or (3) whether

voting districts with substantially equal numbers of voters shall each nominate a candidate to be voted upon by all the voters within the multi-jurisdiction zone.

(d) Manner in which actions are taken by the supervisors.

(e) The treasurer of a county participating in the multi-jurisdiction zone that will hold the funds of the multi-jurisdiction zone and carry out the responsibilities described in RCW 86.15.130.

(f) The engineer of the multi-jurisdiction zone, which, subject to subsection (10) of this section, must be the engineer of a county participating in the multi-jurisdiction zone and who must carry out the responsibilities described in RCW 86.15.060 if so provided in the agreement.

(g) The size, composition and method of selecting members of the advisory committee provided for pursuant to subsection (11) of this section.

(h) The time and manner in which the supervisors adopt a budget, and, if desired, the policies and processes governing the adoption of rates, charges, taxes and assessments and policies governing expenditures.

(i) If the boundaries of a multi-jurisdiction zone will overlap another zone that is not a multi-jurisdiction zone, a provision prescribing how any ad valorem property tax levies are to be established so that the combined levies in the overlapping zones will never exceed the amount authorized under RCW 86.15.160(3).

(j) Any other provisions deemed necessary and appropriate by the jurisdictions executing the formation agreement.

The failure of a formation agreement to include each and every one of the elements described above shall not render the agreement invalid. As soon as practicable after becoming aware of the missing element or elements, the jurisdictions participating within a multi-jurisdiction zone provide for the missing elements by amending the formation agreement in the manner described in subsection (2) of this section.

(2) The formation agreement described in subsection (1) of this section must be approved by resolution of the board of each of the counties participating in the multi-jurisdiction zone after holding a public hearing on that formation, which must be not more than thirty days after the adoption of such resolution setting the hearing date. Thereafter, a board may by resolution accept or reject the agreement and the formation of the multi-jurisdiction zone. Any federally-recognized Indian tribe choosing to participate in a multi-jurisdiction zone may approve its participation by action of the appropriate authority of that tribe. The formation agreement may be amended from time to time by resolution of the board of each county participating in the multi-jurisdiction zone and by appropriate tribal authorizing action, except that amendments to boundaries which must be made pursuant to subsection 13 of this section.

(3) Any federally-recognized Indian tribe with reservation land located in the proposed multi-jurisdiction zone must be provided the option to participate in the multi-jurisdiction zone, and each tribe that chooses to participate may appoint a supervisor to the multi-jurisdiction board. Land held in trust for any federally-recognized Indian tribe or enrolled tribal member that is within the boundaries of a multi-jurisdiction zone shall not be treated as part of that multi-jurisdiction zone for any purpose unless that tribe has chosen to participate in the multi-jurisdiction zone.

(4) Notwithstanding RCW 86.15.023, the boundaries of a multi-jurisdiction zone may overlap another zone that is not a multi-jurisdiction zone, but the combined annual ad valorem property tax levy must not exceed the amount authorized under RCW 86.15.160(3).

(5) The board of supervisors of a multi-jurisdiction zone will consist of a number of members provided in the formation agreement, including any tribal supervisors. The length of terms of elected supervisors must be determined substantially in accordance with RCW 86.15.050(7). Appointed supervisors serve at the pleasure of the authority that appointed such supervisor. Members of the boards of the counties may serve as supervisors. If an appointed supervisor is not a member of the board of the county, then that appointed supervisor may be compensated pursuant to the provisions of RCW 86.15.055.

(6) Each elected supervisor of a multi-jurisdiction zone serves until his or her successor is elected and qualified and assumes office. Vacancies in elected supervisor positions may

occur and must be filled as provided by chapter 42.12 RCW and the formation agreement. The costs and expenses directly related to the election of supervisors must be borne by the multi-jurisdiction zone.

(7) Except as otherwise provided in this section, RCW 86.15.001, RCW 86.15.020, RCW 86.15.023, RCW 86.15.025, RCW 86.15.030, RCW 86.15.050, RCW 86.15.070, RCW 86.15.130, and RCW 86.15.200 do not apply to multi-jurisdiction zones. All other provisions, powers, and limitations that apply to zones or flood control zone districts under chapter 86.15 RCW or other applicable law apply to multi-jurisdiction zones.

(8) The funds of the multi-jurisdiction zone must be held by the county treasurer designated in the agreement and such treasurer has the duties and authority of a zone treasurer as set forth in RCW 86.15.130. The administration of the affairs of a multi-jurisdiction zone are placed in the county engineer, also designated in the agreement, who has the duties of a zone engineer as set forth in RCW 86.15.060. If the county with the designated treasurer or engineer of the multi-jurisdiction zone withdraws from the multi-jurisdiction zone pursuant to this section or is not designated in the formation agreement, then the county treasurer or the county engineer of the county remaining with the largest amount of area in the multi-jurisdiction zone are the treasurer or engineer of the multi-jurisdiction zone until the remaining counties participating in the multi-jurisdiction zone approve a new treasurer or engineer.

(9) The supervisors may also provide for administration of the affairs of the zone by other than the designated county engineer, pursuant to the authority established in RCW 86.15.095, to hire employees, staff, and services and to enter into contracts. The multi-jurisdiction zone engineer or other administrator may appoint such deputies and engage such employees, specialists, and technicians as may be required by the multi-jurisdiction zone and as authorized by the multi-jurisdiction zone's budget. Subject to the approval of the supervisors, the engineer or other administrator may organize, or reorganize as required, the zone into such departments, divisions, or other administrative relationships as he or she deems necessary to its efficient operation.

(10) The budget adopted by the supervisors of a multi-jurisdiction zone must be in accordance with the provisions of RCW 86.15.140 unless otherwise provided in the formation agreement.

(11) As set forth in the formation agreement, the supervisors of a multi-jurisdiction zone and/or the boards of jurisdictions participating in a multi-jurisdiction zone, must appoint members of a multi-jurisdiction zone advisory committee if the committee is established in the agreement. Members of an advisory committee serve without pay and shall serve at the pleasure of the appointing authority.

(12) Subject to the terms of the formation agreement, and subject to the terms of any other contract or bond covenant, the board of each jurisdiction participating in a multi-jurisdiction zone may withdraw pursuant to a resolution adopted by such board. A federally-recognized tribe may withdraw by action of the appropriate authority of that tribe. Before withdrawing, the board of any county must conduct a public hearing notice of which shall be given as provided by RCW 36.32.120(7). If all jurisdictions participating within a multi-jurisdiction zone withdraw, the multi-jurisdiction zone is then be abolished. Any indebtedness of a multi-jurisdiction zone must not be impaired by any withdrawal, and any county withdrawing must continue to levy and collect all necessary taxes and assessments until such debts are retired from property within the multi-jurisdiction zone.

(13) Territory within a watershed but within a county or within the jurisdiction of a federally-recognized tribe that did not initially participate in formation of a multi-jurisdiction zone may later be included within a multi-jurisdiction zone upon approval of the board of that county or upon approval by the appropriate authority of that tribe consistent with subsection (2), together with an amendment of the agreement approved by the boards of all of the counties and the appropriate authorities of all the tribes within the multi-jurisdiction zone. Prior to inclusion of that territory, the public hearing described in subsection (2) of this section is required only in a county that did not initially participate in formation of the multi-jurisdiction zone.

(14) Existing zones formed under chapter 86.15 RCW may become combined into and become a new multi-jurisdiction zone and be entitled to all the powers and privileges available under this section, if: (a) the zones have entered into an interlocal agreement under RCW 86.15.035 or RCW 86.15.080(8) and if necessary, amend or restate or replace the interlocal agreement so that it materially complies with the requirements of this section, (b) the boards of counties participating in the

agreement have passed resolutions approving the conversion of the county zone into the new multi-jurisdiction zone, and (c) the resolutions and amended, restated, or replaced agreements also provide that all rights and obligations of the zone formally existing under chapter 86.15 RCW shall thereafter be the obligations of the new multi-jurisdiction zone created under this section. Upon compliance with those requirements, the new multi-jurisdiction zone is a successor of the former zone for all purposes, and all rights and obligations of the former zone shall transfer to the new multi-jurisdiction zone and the obligations are treated as having been incurred, entered into or issued by the new multi-jurisdiction zone; those obligations remain in full force and effect and continue to be enforceable in accordance with their terms.

**Sec. 2.** RCW 36.93.020 and 1999 c 153 s 44 are each amended to read as follows:

As used herein:

(1) "Governmental unit" means any incorporated city or town, metropolitan municipal corporation, or any special purpose district as defined in this section.

(2) "Special purpose district" means any water-sewer district, fire protection district, drainage improvement district, drainage and diking improvement district, flood control zone district (other than a multi-jurisdiction flood control zone district), irrigation district, metropolitan park district, drainage district, or public utility district engaged in water distribution.

(3) "Board" means a boundary review board created by or pursuant to this chapter.

**Sec. 3.** RCW 86.15.010 and 1983 c 315 § 11 are each amended to read as follows:

The definitions set forth in this section apply through this chapter.

(1) "Board" means the county legislative authority.

(2) "Flood control improvement" means any works, projects or other facilities necessary for the control of flood waters within the county or any zone or zones.

(3) "Flood waters" and "storm waters" means any storm waste or surplus waters, including surface water, wherever located within the county or a zone or zones where such waters endanger public highways, streams and water courses, harbors, life, or property.

(4) "Participating zones" means two or more zones found to benefit from a single flood control improvement or storm water control improvement.

(5) "Storm water control improvement" means any works, projects, or other facilities necessary to control and treat storm water within the county or any zone or zones.

(6) "Supervisors" means the board of supervisors, or governing body, of a zone.

(7) "Zones" and "multi-jurisdiction zones" ~~mean~~ mean flood control zone districts ~~((which))~~ and multi-jurisdiction flood control zone districts, respectively, and are quasi municipal corporations of the state of Washington created by this chapter.

**Sec. 4.** RCW 86.15.035 and 2003 1 c327 s 219 are each amended to read as follows:

In addition to the authority provided in this chapter, flood control zone districts may participate in and expend revenue on cooperative watershed management arrangements and actions, including without limitation those ~~((watershed management partnerships))~~ under chapter 39.34 RCW, ~~((39.34.210))~~ under this act, and under other intergovernmental agreements authorized by law, for purposes of water supply, water quality, and water resource and habitat protection and management.

**Sec. 5.** RCW 86.15.080 and 2010 c 46 § 2 are each amended to read as follows:

A zone or participating zone may:

(1) Exercise all the powers and immunities vested in a county for flood water or storm water control purposes under the provisions of chapters 86.12, 86.13, 36.89, and 36.94 RCW: PROVIDED, That in exercising such powers, all actions shall be taken in the name of the zone, and, unless otherwise provided by agreement with a county or other public entity, title to all property or property rights shall vest in the zone;

(2) Plan, construct, acquire, repair, maintain, and operate all necessary equipment, facilities, improvements, and works to control, conserve, and remove flood waters and storm waters and to otherwise carry out the purposes of this chapter including, but not limited to, protection of the quality of water sources;

(3) Take action necessary to protect life and property within the district from flood water damage, including in the context of an emergency, as defined in RCW 38.52.010, using covered volunteer emergency workers, as defined in RCW 38.52.010 and 38.52.180(5)(a), subject to and in accordance with the terms of RCW 38.52.180;

(4) Control, conserve, retain, reclaim, and remove flood waters and storm waters, including waters of lakes and ponds within the district, and dispose of the same for beneficial or useful purposes under such terms and conditions as the board may deem appropriate, subject to the acquisition by the board of appropriate water rights in accordance with the statutes;

(5) Acquire necessary property, property rights, facilities, and equipment necessary to the purposes of the zone by purchase, gift, or condemnation pursuant to Chapter 8.08 RCW: PROVIDED, That property of municipal corporations may not be acquired without the consent of such municipal corporation;

(6) Sue and be sued in the name of the zone;

(7) Acquire or reclaim lands when incidental to the purposes of the zone and dispose of such lands as are surplus to the needs of the zone in the manner provided for the disposal of county property in chapter 36.34 RCW;

(8) Cooperate with ~~((or))~~, join with, or contract with the state of Washington, United States, another state, any agency, corporation or political subdivision of the United States or any state, Canada, any federally-recognized Indian tribe or any private corporation or individual for the purposes of this chapter;

(9) Accept funds, ~~((or))~~ property, property rights or other assets or franchise rights, by loan, grant, gift or otherwise from the United States, the state of Washington, or any other public or private source;

(10) Remove debris, logs, or other material which may impede the orderly flow of waters in streams or water courses:

PROVIDED, That such material shall become property of the zone and may be sold for the purpose of recovering the cost of removal: PROVIDED FURTHER, That valuable material or minerals removed from public lands shall remain the property of the state;

(11) Provide grant funds to political subdivisions of the state that are located within the boundaries of the zone, so long as the use of the grant funds is within the purposes authorized under this chapter;;

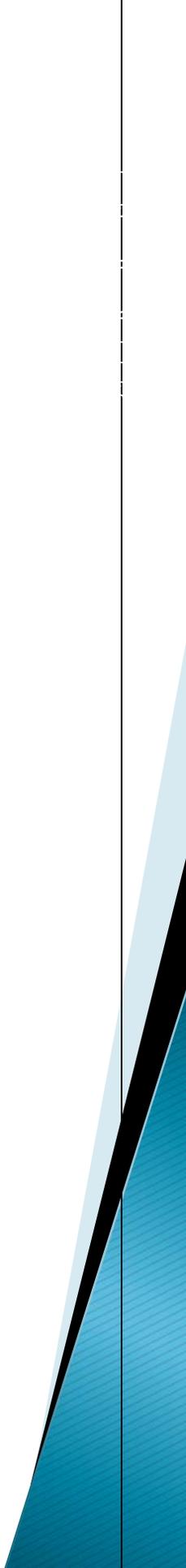
(12) Lease, convey, transfer, assign or otherwise make available any real or personal property or property rights, other assets or franchise rights, with or without compensation, to the state of Washington or to any city, county, special purpose district, other local government entity or federally-recognized Indian tribe, to carry out the purposes authorized under this chapter.

CHEHALIS  
RIVER BASIN  

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FLOOD AUTHORITY

Multi-County Flood Control Zone District Legislation  
September 16, 2010



# Multi-County Zone Formation

Under the draft legislation, counties would have the authority to form a multi-county flood control zone district (“multi-county zone”) with specified boundaries if each county legislative authority approves a formation agreement by resolution.

- ▶ **Boundaries**
  - May include territory within two or more counties.
  - Must generally follow boundaries of watershed area.
  - May include tribal reservation land located within watershed area with tribal approval.
  - May overlap other zones, but ad valorem property taxes will require an approving resolution from both zones.

# Multi-County Zone Formation Resolution

- Each county must approve the formation agreement by resolution.
- A public hearing is required.
- The formation agreement must be approved within 30 days of the hearing.

# Multi-County Zone Agreement Elements

- ▶ The counties participating must approve a formation agreement that includes the following details :
  - The boundaries of the multi-county zone.
  - The general flood control needs of the multi-county zone.
  - The number, manner and make-up of the multi-county zone's board of supervisors
  - The treasurer of the multi-county zone (must be a treasurer of a participating county).
  - The engineer of the multi-county zone (must be an engineer of a participating county or can be hired by the multi-county zone supervisors).
  - Whether the participating counties will establish an advisory board, and how.
  - The time at which the supervisors will adopt an annual budget.
  - Formation agreement may be later amended or new territory included within the multi-county zone upon agreement of the legislative authorities of counties within the multi-county zone.

# Multi-County Zone Board of Supervisors

- ▶ The board of supervisors of a multi-county zone will consist of the number of members provided in the formation agreement.
- ▶ Supervisors' actions will be taken as set forth in the agreement.
- ▶ The formation agreement determines:
  - 1) Whether the legislative authority of each county will appoint a supervisor or supervisors to the multi-county zone.
    - Appointed supervisors shall serve at the pleasure of the legislative authorities that appointed such supervisor and members of the county legislative authority may or may not serve as a supervisor.

# Multi-County Zone Board of Supervisors (Cont.)

- 2) Whether the voters in the multi-county zone will elect supervisors at the next general election or at any special election.
  - Supervisors may be elected at large or from supervisor districts with substantially equal number of voters.
  - Terms determined under formation agreement.
- 3) Whether the board of supervisors will include an additional appointed member and/or a member appointed by one or more Indian tribes.
  - The formation agreement may provide for an additional supervisor, that may be appointed by the Governor, if provided in the formation agreement.
  - The formation agreement may provide for a supervisor appointed by any participating Indian tribe.

# Multi-County Zone Administration

- ▶ **Zone treasurer**
  - Formation agreement designates a multi-county zone treasurer who must be the treasurer of a participating county.
- ▶ **Zone engineer**
  - Formation agreement will designate a multi-county zone engineer who must be the engineer of a participating county.
  - Zone engineer will perform all duties otherwise required under RCW 86.15.060.
  - Supervisors may also hire an engineer or hire other multi-county zone administrators.
- ▶ **Advisory committees**
  - Formation agreement will determine the make-up of any advisory committee.
- ▶ **Budget**
  - Formation agreement will determine the manner in which the multi-county zone supervisor will adopt an annual budget.

# Multi-County Zone Powers

- ▶ A multi-county zone has all FCZD powers including:
  - Exercise all the powers and immunities vested in a county for flood water or storm water control purposes, including the power of eminent domain and all other powers under RCW 86.15.080.
  - Impose voted or nonvoted annual ad valorem tax levies within the zone. Non-voted tax levy can no exceed fifty cents per thousand dollars of assessed value (RCW 86.15.160)
  - Issue voted or non-voted general obligation bonds. General obligation debt is limited to 3/4<sup>th</sup> of 1% of the value of the taxable property within the multi-county zone. (RCW 86.15.170)
  - Impose an assessment upon property specially benefited by flood control improvements or a charge for the furnishing of services (RCW 86.15.160 and RCW 86.15.176).
  - Issue revenue bonds pursuant to chapter 36.67 RCW (RCW 86.15.178).

# Multi-County Zone Conversion and Withdrawal

## ▶ Conversion

- An existing zone can convert into a multi-county zone if it:
  - Enters into an agreement with zones in other counties that materially complies with the requirements of the new legislation.
  - Legislative authorities of counties approve such conversion by resolution.
  - The formation agreement and resolutions provide that all rights and obligations of the zone formally existing under chapter 86.15 RCW shall become the obligations of the new multi-county zone.

## ▶ Withdrawal

- The legislative authority of a participating county may withdraw from a multi-county zone if it:
  - Adopts a resolution after a public hearing.
  - Does not impair any indebtedness of the multi-county zone.
  - Is not prohibited from withdrawing under any contract or bond covenant.
  - Continues to levy and collect all necessary taxes and assessments until multi-county debts are retired.

CHEHALIS  
RIVER BASIN  
FLOOD AUTHORITY

# Preliminary Benefit District Boundary

Chehalis River Basin Flood District Formation  
October 21, 2010

# Preliminary Boundary Determinants

- ▶ Lewis, Grays Harbor, and Thurston County geographic areas within the Chehalis River Basin
- ▶ Inclusion of the Chehalis Tribe with their permission
- ▶ Precincts reasonably co-terminus with the Chehalis River Basin boundary
- ▶ 100-year Floodway per FEMA, 2003 shown

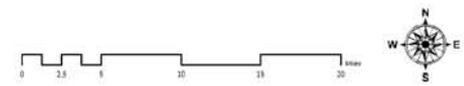
# CHEHALIS RIVER BASIN FLOOD DISTRICT FORMATION

Upper Chehalis, Lower Chehalis, and Grays Harbor Subbasins

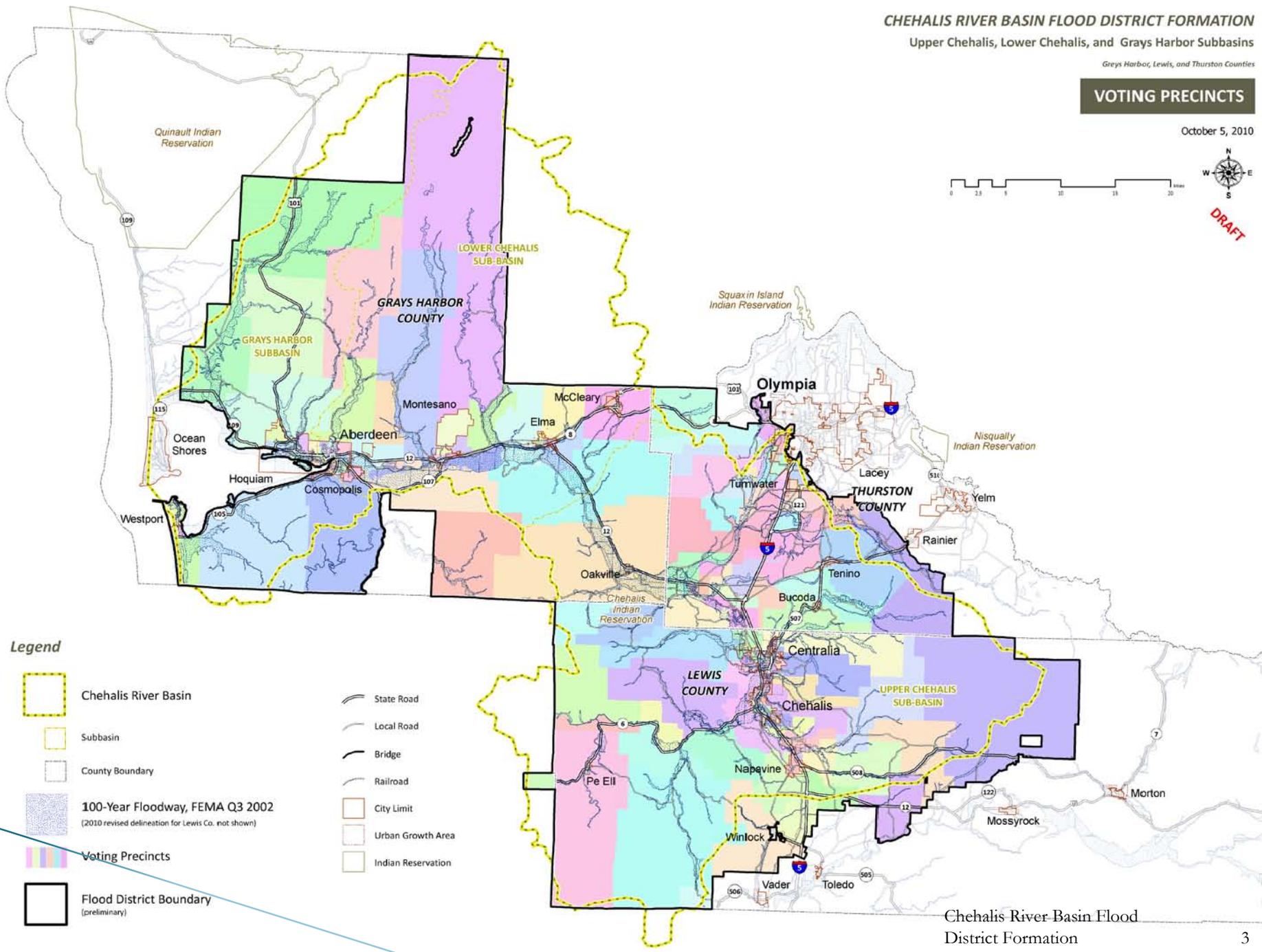
Greys Harbor, Lewis, and Thurston Counties

## VOTING PRECINCTS

October 5, 2010



DRAFT



### Legend

- Chehalis River Basin
- Subbasin
- County Boundary
- 100-Year Floodway, FEMA Q3 2002  
(2010 revised delineation for Lewis Co. not shown)
- Voting Precincts
- Flood District Boundary  
(preliminary)
- State Road
- Local Road
- Bridge
- Railroad
- City Limit
- Urban Growth Area
- Indian Reservation

# Boundary Issues

- ▶ Considering each of the precincts on the boundary, do they reasonably represent those who will benefit from District flood protection? Eg.
  - Grays Harbor Precinct G26
  - Thurston Precinct T053
  - Lewis Precincts L7, L16, L35, and L48
- ▶ How does the preliminary boundary relate to tribal reservation lands?
- ▶ How does the boundary relate to the boundaries of existing FCZDs or Stormwater Utilities?
- ▶ How does this boundary relate to the boundaries of the proposed individual County FCZDs to form the interim flood entity?
- ▶ Each County's cartographer and assigned civil deputy prosecutor should review the map

# Potential Revenue Generation

- ▶ The FCZD tax option provides for a non-voted property tax levy of up to \$0.50 per \$1,000 in assessed valuation (AV)
- ▶ Each of the three counties has provided an estimate of its total AV within the Chehalis River Basin boundary
- ▶ A preliminary forecast of taxable AV has been made assuming 90% of total AV is taxable
- ▶ An accompanying *preliminary* estimate of maximum revenue generation from this source has also been made, assuming successful application of the maximum levy rate

# Preliminary AV Estimates

Preliminary Estimate of Taxable AV in Flood Benefit Area				
	Precincts in Benefit Area	Tax Lot Count	AV Total	Est. Taxable AV*
Gray's Harbor County	61	38,094	\$5,918,699,545	\$5,326,830,000
Lewis County	62	28,298	\$4,405,656,121	\$3,965,091,000
Thurston County	58	19,764	\$5,156,276,985	\$4,640,649,000
<b>Total</b>	<b>181</b>	<b>86,156</b>	<b>\$15,480,632,651</b>	<b>\$13,932,570,000</b>

•adjusted by FCS GROUP to account for tax-exempt tax lots based on county-wide data.  
 •Source: county assessor records; compiled by Real Urban Geographics

This level of AV would support about \$7M per year at \$0.50/\$1000 AV

# Chehalis FCZD Economic Benefit Analysis Approach

- Measure potential direct economic benefits for FCZD and indirect benefits to the region/state using IMPLAN model (2009 data due Nov. 1)
- Construction Benefits to the FCZD – Per \$1M of spending using IMPLAN (jobs and output)
- Potential Direct/Indirect Benefits from:
  - Avoided Property Damage (based on Assessor data)
  - Reduced Travel and Freight Disruptions (WSDOT input)
  - Reduced Business Disruptions (IMPLAN model)

# Proposed Next Steps

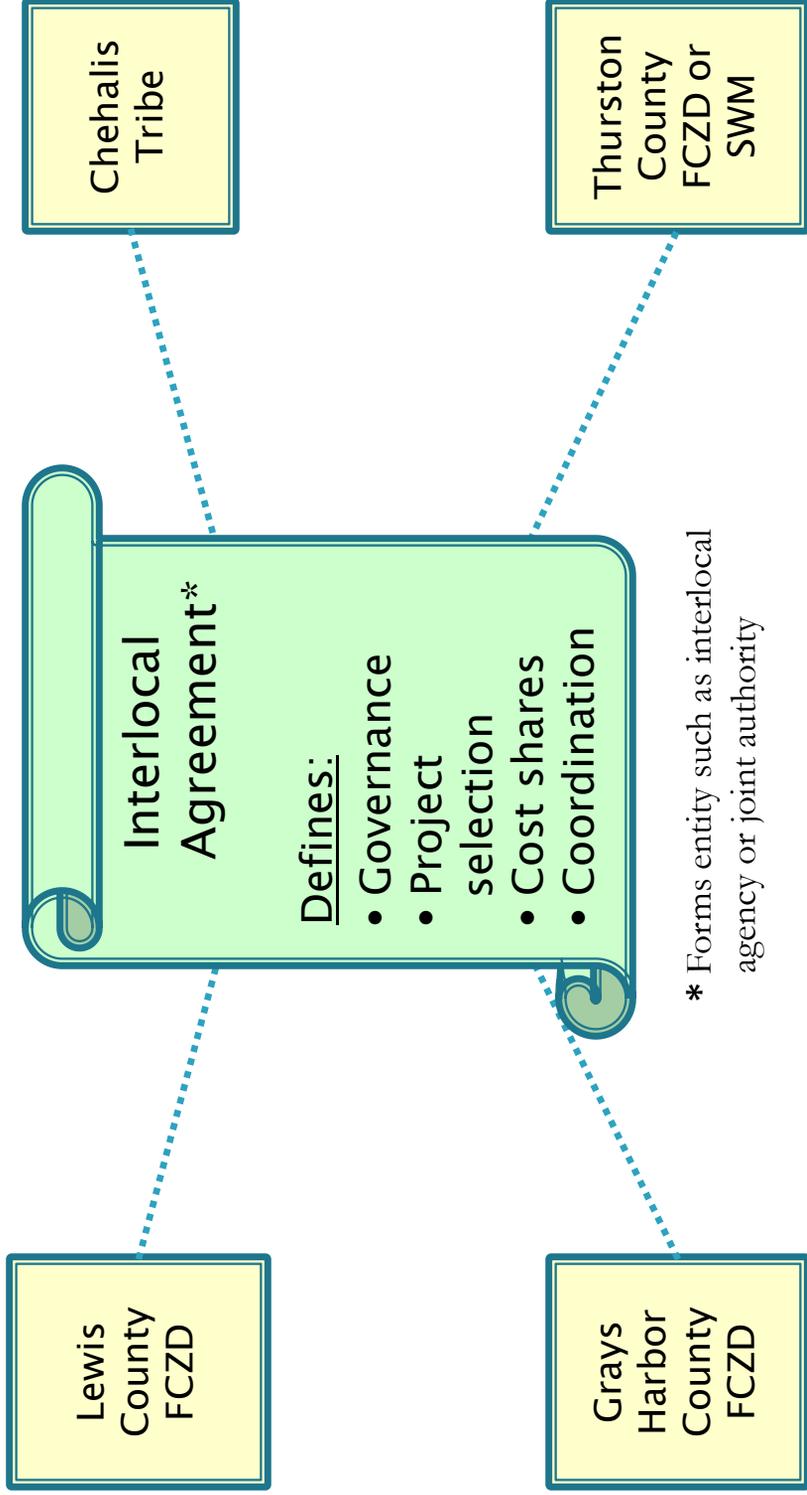
- ▶ Update today on State Legislation
- ▶ November meeting:
  - Revisions to boundaries
  - Financing background and policies
  - Report on Public Meetings
  - Status of County Resolutions of Intent to form FCZDs
- ▶ Delay Workshop until January

CHEHALIS  
RIVER BASIN  
FLOOD AUTHORITY

# Preliminary Financial Issues / Analysis

Chehalis River Basin Flood District Formation  
November 18, 2010

# Multi-County “Flood District”



# Options for the Future

- ▶ Multi-County Flood District could continue based on the terms of the interlocal agreement
- or*
- ▶ Multi-County Flood District could be replaced by an independently governed multi-county flood control zone district
  - Legislation currently being drafted to allow for this option

# Cost Recovery Options

## Rates v. Taxes v. Assessments

- ▶ What is the best combination of funding sources to use to recover Chehalis River Basin flood program costs in terms of equity, revenue sufficiency, reliability, ease of administration, and other factors?

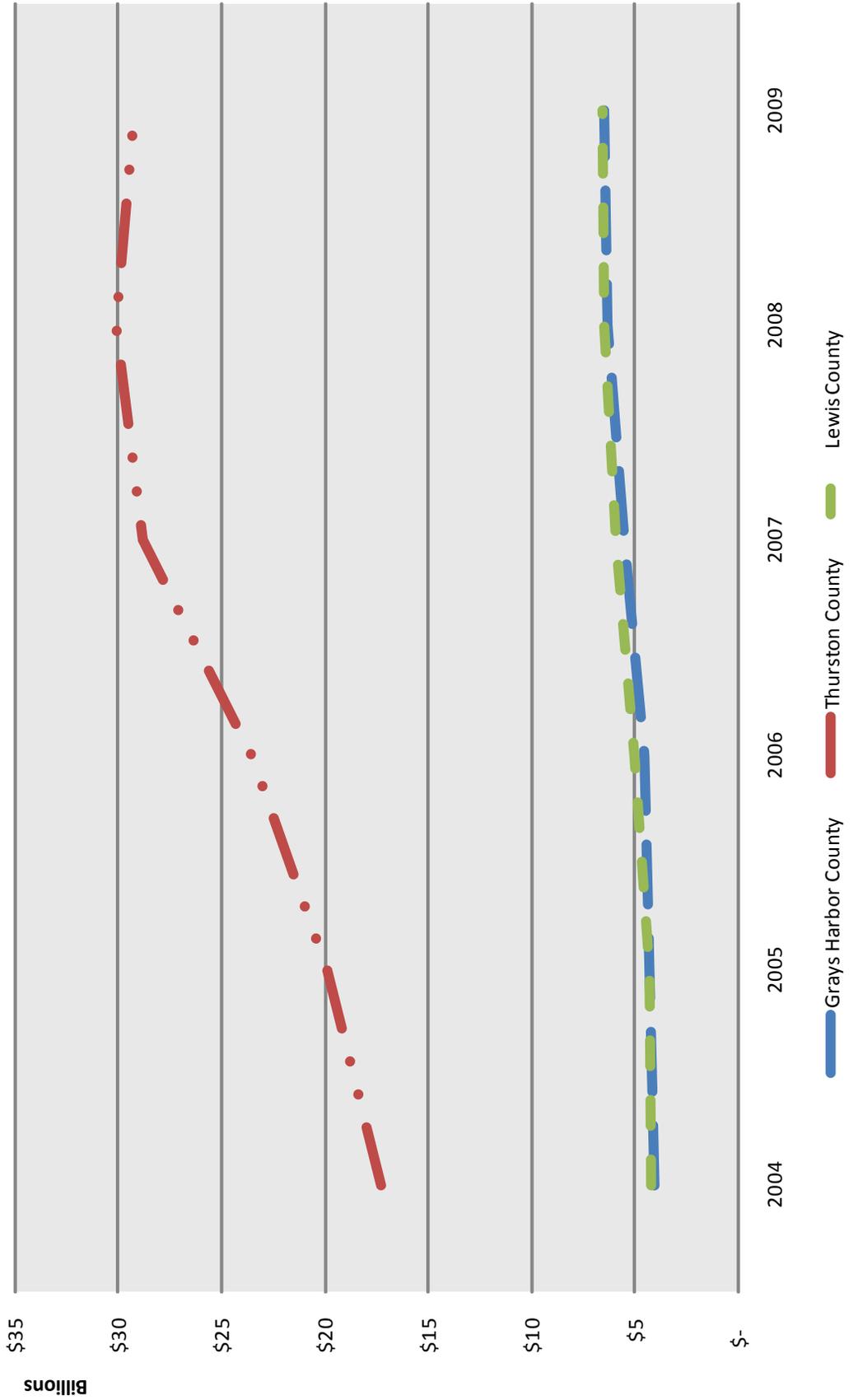
# Characteristics of Options

	Legal Constraints	Practical Considerations	Capital	Operations
<b>Taxes</b>	<ul style="list-style-type: none"> <li>- Ceiling of \$0.50 / \$1,000 AV without a public vote</li> <li>- May exceed with public vote</li> <li>- Must be applied uniformly</li> </ul>	<ul style="list-style-type: none"> <li>- Cannot be imposed on tax-exempt property</li> <li>- Can be "squeezed" by senior taxing entities</li> </ul>	<ul style="list-style-type: none"> <li>- Can be used for capital project(s), including:               <ul style="list-style-type: none"> <li>· Major flood control</li> <li>· Local / minor flood control</li> <li>· Stormwater facilities</li> </ul> </li> <li>- Can support revenue bond or voted GO debt</li> </ul>	<ul style="list-style-type: none"> <li>- Can be used for operations, including:               <ul style="list-style-type: none"> <li>· Maintenance</li> <li>· Engineering</li> <li>· Repairs</li> <li>· Public education</li> </ul> </li> </ul>
<b>Charges</b>	<ul style="list-style-type: none"> <li>- Those charged:               <ul style="list-style-type: none"> <li>· Must be contributing to runoff increase</li> <li>· Must be served or benefited by facilities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Must be indirect nexus between services provided and amount charged</li> <li>- Basis of charging undefined (often impervious surface)</li> </ul>	<ul style="list-style-type: none"> <li>- Can be used for capital project(s) meeting nexus test, including:               <ul style="list-style-type: none"> <li>· Major flood control</li> <li>· Local / minor flood control</li> <li>· Stormwater facilities</li> </ul> </li> <li>- Can support revenue bond debt</li> </ul>	<ul style="list-style-type: none"> <li>- Can be used for operations, including:               <ul style="list-style-type: none"> <li>· Maintenance</li> <li>· Engineering</li> <li>· Repairs</li> <li>· Public education</li> </ul> </li> </ul>
<b>Assessments</b>	<ul style="list-style-type: none"> <li>- Capital only (not operations)</li> <li>- Can be applied only on specially benefited properties</li> <li>- Assessment limited to AV increase</li> </ul>	<ul style="list-style-type: none"> <li>- Administratively cumbersome</li> <li>- Difficult to demonstrate special benefit</li> </ul>	<ul style="list-style-type: none"> <li>- Can be used for capital project(s) that provide special benefit</li> <li>- Can support revenue bond debt</li> </ul>	<ul style="list-style-type: none"> <li>- Can not be used for operations</li> </ul>

# Tax Information

- ▶ Each of the three counties reports that while \$.50 / \$1,000 AV is currently available against the \$5.90 cap
  - 2010 taxable assessed value will likely decrease
  - Other tax levy rates will likely increase
- ▶ Result: Possible compression – not predictable at this time if \$.50 / \$1,000 AV will remain available

# Total Taxable Assessed Value of Real Property by County



	2004	2005	2006	2007	2008	2009
Grays Harbor County	\$ 4,032,924,875	\$ 4,303,068,539	\$ 4,541,366,189	\$ 5,484,425,084	\$ 6,316,005,187	\$ 6,501,053,179
Thurston County	\$ 17,300,000,000	\$ 23,500,000,000	\$ 28,810,000,000	\$ 30,117,000,000	\$ 29,249,000,000	\$ 29,249,000,000
Lewis County	\$ 4,225,374,049	\$ 4,307,489,281	\$ 5,061,405,200	\$ 5,967,909,962	\$ 6,535,716,725	\$ 6,560,558,034

# Cost Recovery Evaluation

Description	Equitable	Revenue Sufficiency	Reliability	Ease of Admin
Taxes	●	●	●	●
Charges	●	●	●	●
Assessments	●	●	●	●

# Cost Recovery Questions

- ▶ Does it make sense to recover some contribution of runoff related costs in a rate and other flood control benefit related costs in a tax and/or assessment?
  - RCW 86.15.160(4) authorizes charging rates “to those who are receiving or will receive benefits from storm water control facilities and who are contributing to an increase in surface water runoff.”
- ▶ If a rate is used, how would it be reconciled with existing local drainage utility rates?

# List: Non-Structural Mitigation Measures

- ▶ **Public Information:** Education materials – flood proofing guidance
- ▶ **Regulation:** Improve floodplain regulations, develop conservation easement programs
- ▶ **Planning and data collection:** Improve hydraulic modeling, study woody debris and stream gravels
- ▶ **Reduce damage to existing structures:** Develop home evaluation and buyout programs
- ▶ **Emergency response and preparedness:** Develop early warning systems
- ▶ **Natural resources protection projects:** Protect and restore riparian areas

# List: Structural Measures

- ▶ Floodplain protection
  - Culvert improvements, tributary drainage improvements
- ▶ Bank protection
  - Bank stabilization and protection
- ▶ Conveyance capacity
  - Open channel migration zone

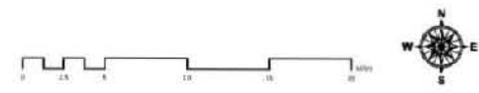
# Cost Recovery Questions

## Uniform v. Area-Specific Funding

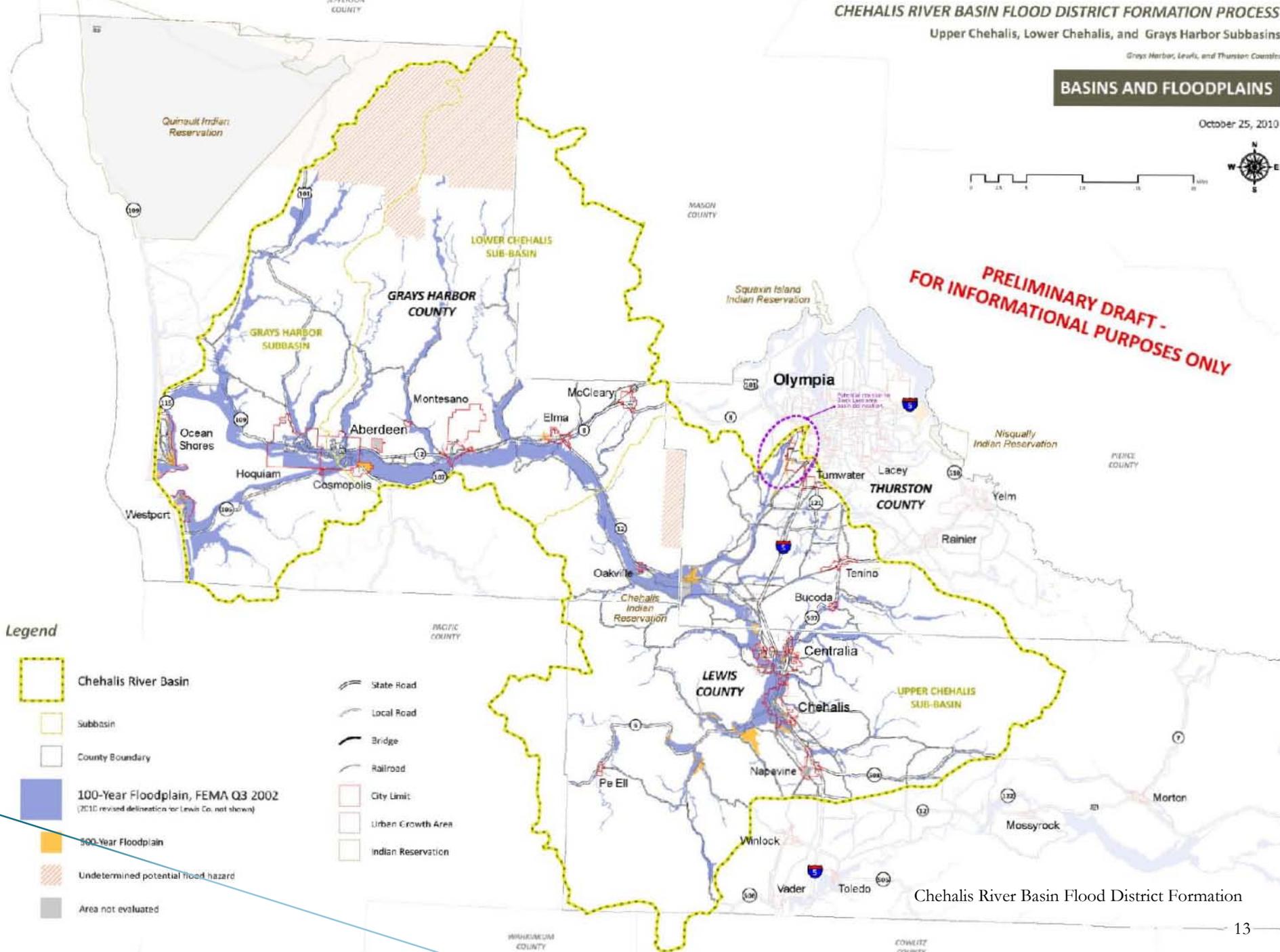
- ▶ Does it make sense to recover costs uniformly within the District by applying the same rate and/or tax throughout?
- ▶ If a uniform approach is preferred, should revenue generated in one area of the Basin be in any way limited as far as where in the Basin it can be spent? If so, how should it be limited?

**BASINS AND FLOODPLAINS**

October 25, 2010



**PRELIMINARY DRAFT -  
FOR INFORMATIONAL PURPOSES ONLY**



**Legend**

- Chehalis River Basin
- Subbasin
- County Boundary
- 100-Year Floodplain, FEMA Q3 2002  
(2010 revised delineation for Lewis Co. not shown)
- 500-Year Floodplain
- Undetermined potential flood hazard
- Area not evaluated
- State Road
- Local Road
- Bridge
- Railroad
- City Limit
- Urban Growth Area
- Indian Reservation

# Cost Recovery Questions

- ▶ Does it make sense to charge different rates, taxes, or assessments in different parts of the Basin depending on their specific needs? If so,
  - How many different areas and associated rates, taxes, or assessments are appropriate?
  - Which types of costs should be allocated among areas, e.g., operations and maintenance, capital?
  - How should those costs be allocated among areas?
  - What are the offsetting costs of implementation and ongoing administration?

# Related Fiscal Policy Issue

- ▶ How can the FCZD(s) protect its property tax revenues, if used, given the fact that the \$.50 per \$1,000 tax rate authorization can be consumed by other, more senior, entities.

# Sample Fiscal Policies

- ▶ What is an appropriate working capital balance to maintain as a cushion against fluctuating expenditures, taking into account the size of the program and other factors?
- ▶ How should capital repair and replacement be funded over time?
- ▶ What is an appropriate level of capital contingency funding to maintain for emergency needs?

# Sample Fiscal Policies

- ▶ What is an appropriate capital funding strategy? When should debt be issued & by whom? When is a public vote necessary to issue debt?
- ▶ If bonds are utilized, what is a prudent target coverage ratio to maximize fiscal health & allow for future debt issuance as needed?
  - Revenue bond issues are typically accompanied by a coverage requirement of 1.25 or more
  - General obligation bonds usually do not require coverage, however, such a target may be set by policy.

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FLOOD AUTHORITY

# Interlocal Agreement Options

Chehalis River Basin Flood District Formation  
January 20, 2011

# Chehalis Basin Flood District Interlocal Agreement (ILA)

- ▶ December FA meeting provided ILA outline
- ▶ Options / Interviews for Key ILA Sections:  
**Formation, Boundaries, Membership,  
Voting, Flood Plain Regulations**
- ▶ Assumptions & Objectives
  - Based on existing legislation (RCW 86.15)
  - Formation by June 2011
  - Compatible with proposed legislation
  - Responsive to public input

# Flood District Formation by ILA: Background

- ▶ RCW 86.15 allows counties to form county-wide FCZDs by vote of BoCCs
- ▶ Option for elected Board
- ▶ Counties can enter into ILA to form multi-county Flood District
- ▶ Public vote required to issue GO bonds
- ▶ Public input to date indicates that a public vote on financing and/or projects to be funded is desirable

# How to Incorporate Public Vote on Flood District Actions?

- ▶ Options:
- ▶ Advisory Ballot in each jurisdiction to form FCZDs prior to 6/2011
- ▶ Advisory Ballot on Capital Plan before funding
- ▶ Advisory Ballot on funding plan
- ▶ Required vote on bonds, which includes both capital and funding plans
- ▶ Election of Board
- ▶ No Vote

# Flood Authority Interview

## Summary: Formation

- ▶ All members recognized importance of public vote on capital projects, funding plan &/or bonding
- ▶ All members recognized District Formation not the most important issue for vote
- ▶ Many members acknowledged value of public vote for Board members (discussed further under **Membership**)

# Flood Authority Interview

## Outcomes: Formation

- ▶ Formation of County & Tribe FCZDs or equivalent by June 2011
- ▶ Counties & Tribe approve ILA by June 2011
- ▶ Embody in ILA a public vote on capital plan, financing, and/or bonding before proceeding
- ▶ Consider Board Elections (more under **Membership**)

# Boundary for ILA Flood District

## Background

- ▶ Initially set by jurisdiction FCZDs
- ▶ Subject to Boundary Review Boards for each County boundary
- ▶ Chehalis Tribe reservation lands included only with their consent
- ▶ Only Lewis, Grays Harbor, and Thurston Counties/Cities participating to date, comprising a majority of the basin impacted by flooding
- ▶ Sub-areas allowed within larger District Boundary

# Flood District Boundary Options & Considerations

- ▶ Assumption to date is the Chehalis River Basin boundary within Grays Harbor, Lewis and Thurston Counties
- ▶ Black Lake, Thurston Co. anomaly
- ▶ Issues of precedent & impacts on financing
- ▶ Flood Plain properties only
- ▶ BRB criteria
- ▶ Options to create sub-areas within Boundary for financing purposes

# What should be the Flood District Boundary? Interview Outcomes

- ▶ Boundary the entire watershed within the 3-County region of Grays Harbor, Lewis, and Thurston Counties
- ▶ Tribal reservation lands with the consent of the Chehalis Tribe
- ▶ Retain potential for sub-areas for financing purposes

# Flood District ILA Membership Background & Options

- ▶ RCA 86.15 provides that the BoCC is the initial Board for a county FCZD
- ▶ Can subsequently be elected
- ▶ Counties can form, by ILA, a multi-county flood district & appoint initial Board members
- ▶ With new proposed legislation ILA-Board members could be directly elected
- ▶ Elected Board must conform to “equal representation”; not so if appointed
- ▶ Can have *ex officio* members & Advisory Committee

# Flood District Membership

## Interview Summary

- ▶ All members considered the current 11 member FA too large
- ▶ All members preferred Board membership of 4–6
- ▶ All members recognized importance of city representation
- ▶ All members realize that the initial Board must be appointed; members can later stand for election
- ▶ Most members considering pros/cons of elected v. appointed Board
- ▶ All members recognized value of State as *ex officio* ILA–Board member

# Pros/Cons of Appointed Board

- ▶ + New precincts unnecessary
- ▶ +/- Stronger ties to Counties/Cities (less independent & potentially less focused)
- ▶ - Potentially less opportunity for Cities representation unless larger Board
- ▶ +/- Potentially more opportunity for special interest representation
- ▶ +/- Potentially less delegated power to non-elected Board
- ▶ +/- Power sharing negotiated [AV, financial contribution, population, area, etc.]

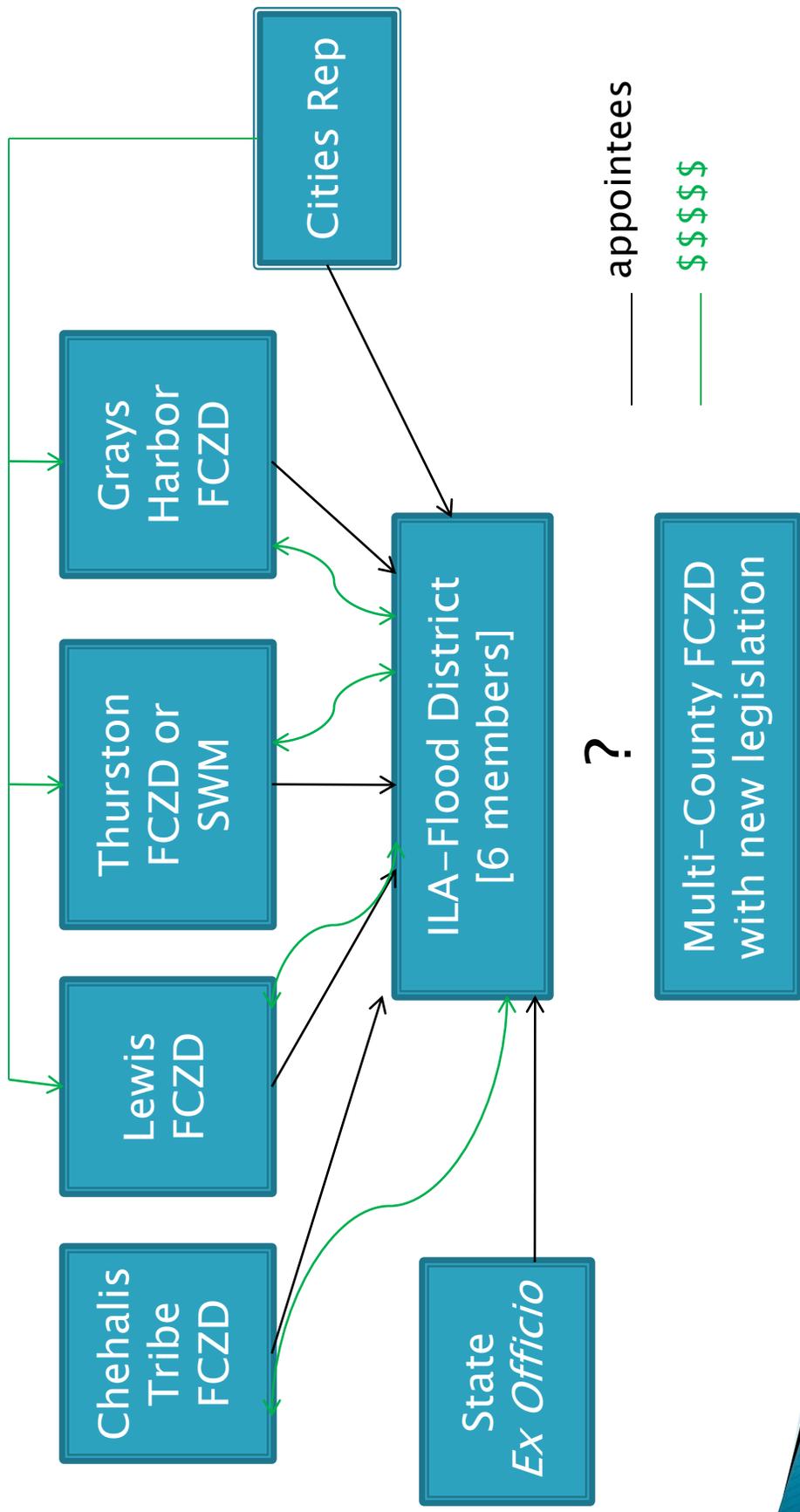
# Pros/Cons of Elected Board

- ▶ - Requires new precincts
- ▶ +/- Power sharing based on population
- ▶ +/- Independent of Counties / Cities; potentially more focused
- ▶ + Delegated powers negotiable
- ▶ - Cost of elections
- ▶ + Potentially more opportunity for City representation
- ▶ + Provide public another opportunity for a public vote; direct accountability

# Possible Membership Alternative?

- ▶ Counties & Chehalis Tribe form FCZDs (or equivalent)
- ▶ Each County and the Chehalis Tribe appoint one member to the ILA-Board by June 2011
- ▶ Cities caucus to appoint an ILA-Board member to initially represent them (could rotate)
- ▶ State has *ex officio* membership
- ▶ Total of 5 voting and 1 non-voting members
- ▶ With new legislation, 4 municipal members stand for election at a subsequent general election

# Relationship between FCZDs & ILA-Flood District



# Flood District ILA: Voting? Interview Summary & Outcomes

- ▶ All preferred Robert's Rules to current consensus voting structure
- ▶ With smaller Board, supermajorities were mostly deemed not needed; a few desired a supermajority for financial votes
- ▶ Value of even numbers recognized as requiring greater consensus
- ▶ Recognition that without new legislation, all tax votes and potentially all revenue votes will remain with underlying FCZDs, or equivalent

# Local Flood Plain & Land Use Regulations: Background

- ▶ Not required to be in ILA
- ▶ FCZDs do not have land use authority
- ▶ Land use authority remains with jurisdictions
- ▶ Flood Plan approved by FA contains 16 “baseline” and 5 “ideal” flood plain land use recommendations (pg. 9–5)
- ▶ Recommendations based on:
  - Mitigation of damages to structures in flood plain
  - Protection of flood plain (avoid new development damages)

# Local Flood Plain & Land Use Regulations: Interview Summary

- ▶ Some desire for consistency
- ▶ Recognition that past practices/existing development not changing
- ▶ Recognition that focus should be on new development
- ▶ Recognition that urban development in flood plain is an economic benefit to jurisdiction
- ▶ Consideration that those who protect flood plain should not pay for protection of those who don't
- ▶ Recognition that Agriculture "lives" with flooding; special case
- ▶ Recognition of tidal influence as special case

# How should District address Flood Plain development? A Concept...

- ▶ All jurisdictions adopt consistent baseline flood plain regulations within 2–3 years
- ▶ Those jurisdictions who go beyond and adopt ideal recommendations receive a financial incentive or bonus when allocating District costs [on theory they are creating less costs for the District]
- ▶ Those jurisdictions who do not adopt the baseline regulations pay a premium when allocating District costs [on theory they are creating more costs for the District]

# Implementation of Concept

- ▶ All jurisdictions within the Boundary review recommended flood plain regulations for potential incorporation by reference into the ILA
- ▶ Determine reasonable time frame for adoption and implementation
- ▶ FCS to use Economic Analysis to recommend incentives and premiums
- ▶ Jurisdiction FCZDs responsible for implementing through their rate structures

# FA decisions on ILA

- ▶ Do you agree with the **Formation** approach?
  - **Form** by action of jurisdictions
- ▶ Do you agree with the **Boundary** approach?
  - **Chehalis Basin** in 3-county area & reservation lands by consent of **Chehalis Tribe**
- ▶ Do you agree with the **Membership** approach?
  - **5 members** initially appointed; potentially elected
- ▶ Do you agree with the **Voting** approach?
  - **Robert's Rules**
- ▶ Do you agree with development of the **flood plain land use regulations concept** for future consideration with the **Economic Analysis** and financing plan for the District?

# Additional Issues from Interviews

- ▶ Role of ILA–District to review flood projects of jurisdictions for holistic/consistent approach?
- ▶ Why can't we dredge the river?
- ▶ More focus on rates which are more flexible than taxes; use for flood plain incentives/premiums
- ▶ Need for ILA–District funding after 2011 but before new taxes/rates can be implemented; State assistance? Fallback?
- ▶ Questions about the Corps

# Next Steps

- ▶ Begin drafting ILA
- ▶ FA Agenda for February:
  - Economic Analysis
  - Financing of FCZDs and ILA Flood District
- ▶ March: Review Draft ILA
- ▶ March: Jurisdiction FCZDs should be formed & subject to BRB process if applicable
- ▶ April/May: Complete BRBs; Complete ILA
- ▶ May/June: Adopt ILA
- ▶ June/July: New legislation adopted? State funding for continuation?

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FLOOD AUTHORITY

# Preliminary Economic Analysis

Chehalis River Basin Flood District Formation  
February 17, 2010

# Purpose of Economic Analysis

## Document the relative economic benefit from flood mitigation

- ▶ Build upon prior studies and background data
  - Flood damage and loss estimates
  - Cost-Benefit study by EES Consulting
  - Earth Economics study
  - WSDOT/WSU I-5 closure study
  - NFIP data
- ▶ Conduct supplemental interviews
- ▶ Utilize GIS and other data in the analysis
  - Floodplain and Basin Area

# Economic Benefits from Flood Mitigation

1. Reduced property damage
2. Avoided business losses
3. Avoided clean-up costs
4. Avoided transportation delays
5. Avoided infrastructure damage
6. Avoided public tax revenue losses
7. Avoided flood insurance loss payments
8. Enhanced property values
9. Health & safety benefits
10. Ecological benefits

**Our Challenge:**  
finding consistent  
data to measure  
impacts by local  
jurisdiction

# Economic “Benefit” Areas

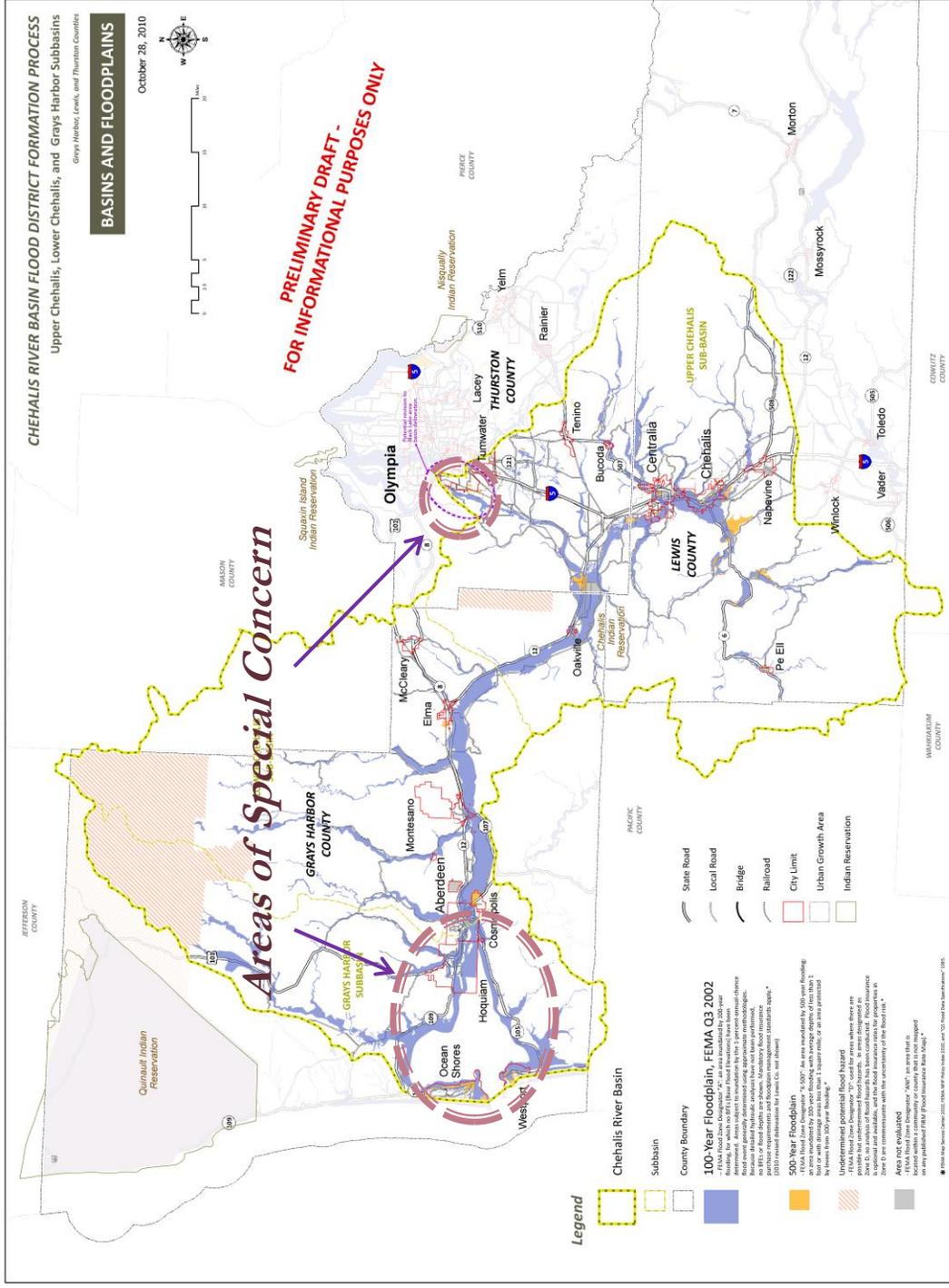
Primarily includes:

- Grays Harbor County
- Lewis County
- Thurston County
- Chehalis Reservation

Floodplain Area

River Basin Area

Also: statewide benefits



# Overall Findings - 2007 Flood

- ▶ Total economic losses from the December 2007 flood event were about \$938 million
- ▶ About 36% of these losses were statewide and 64% were regional

Reflects items 1-6 from prior list of economic benefit measures

Category	Local/Regional Impact	Statewide Impact	Total
Local Business Disruption <sup>1</sup>	\$57,443,691	-	\$57,443,691
Property & Content Damage, Cleanup <sup>2</sup>	\$340,342,820	-	\$340,342,820
Transportation/infrastructure Damage <sup>3</sup>	\$86,696,488	\$23,374,900	\$110,071,388
Government Revenue Loss (tax dollars)	\$70,087,199	-	\$70,087,199
Transportation Disruption <sup>4</sup>	\$48,782,400	\$310,997,963	\$359,780,363
<b>Total</b>	<b>\$603,352,597</b>	<b>\$334,372,863</b>	<b>\$937,725,460</b>

Notes:

<sup>1</sup> based on IMPLAN analysis for Lewis, Thurston, and Grays Harbor counties.

<sup>2</sup> reflects findings from Lewis County "One Year Later" report and Thurston County estimates.

<sup>3</sup> reflects findings from Lewis County "One Year Later report.

<sup>4</sup> includes findings from Lewis County "One Year Later" report and WSDOT estimates.

Compiled and adjusted to 2010 dollars by FCS GROUP, Inc.

# Potential Metrics for Comparing Local Economic Benefits

- ▶ Should be reasonably consistent and accurate:
  - ✓ Population, households and employment (US Census)
  - ✓ County Assessor property valuation estimates
  - ✓ Local business & economic activity
  - Apply IMPLAN model to local job counts by sector
  - Measure direct, indirect and induced impacts
  - Economic Value added = gross domestic product that is “at risk” during a major flood event
- X FEMA NFIP loss data (accurate?)
- X Prior accounts of property losses (consistent?)

# Potential Metrics for Comparing Benefits in Chehalis River Floodplain

- ▶ Population and households (<sup>1</sup> 2000 & 2010 Census data)
- ▶ Employment (<sup>2</sup> 2008 Census data)
- ▶ Land Area and Assessed Values (<sup>3</sup> local sources)
- ▶ NFIP loss data (<sup>4</sup> FEMA data not recommended)
- ▶ Economic Value Added Per Day (<sup>5</sup> IMPLAN data)

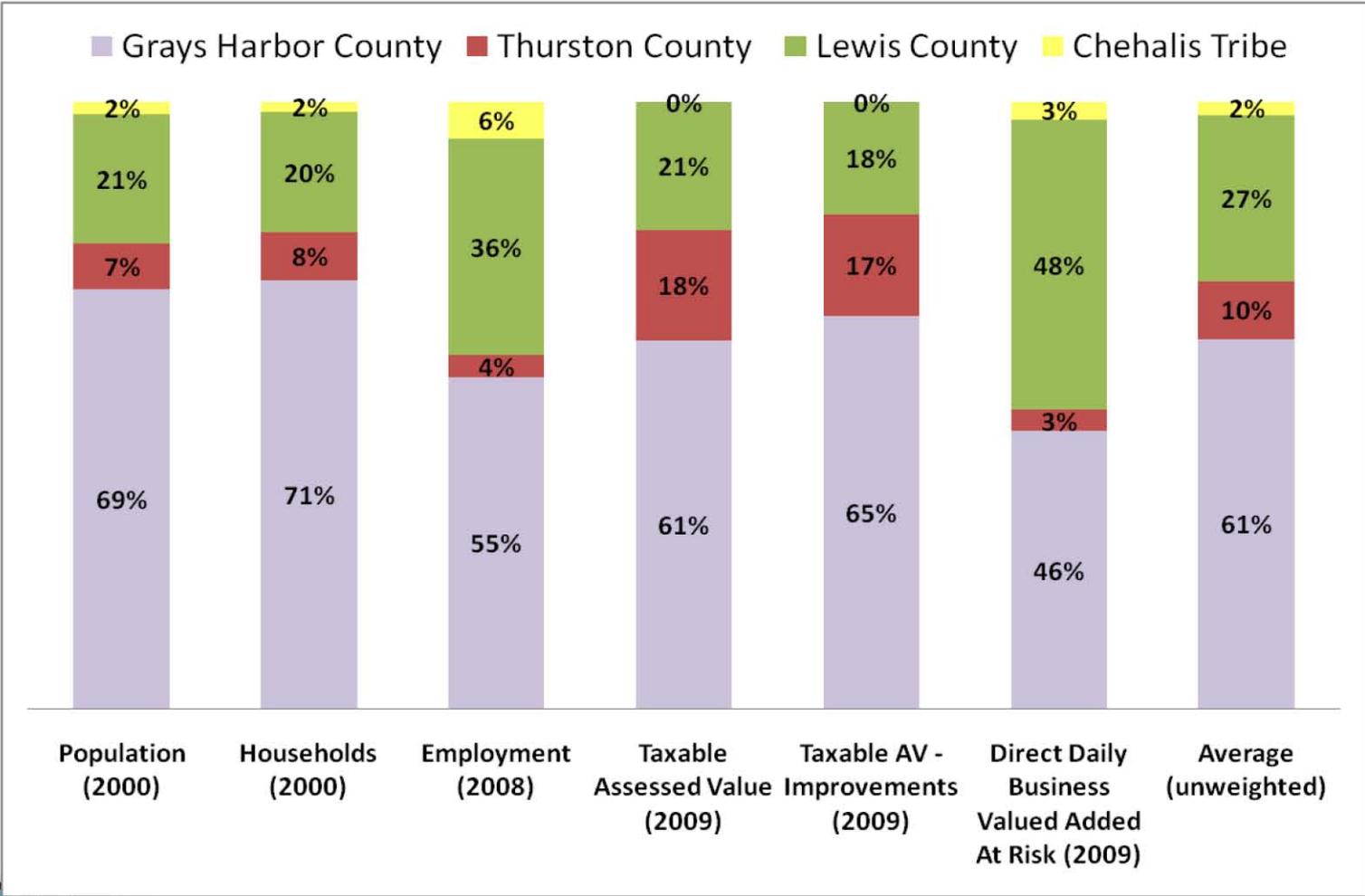
Floodplain Area	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
Population <sup>1</sup>	22,209	2,400	6,837	691	32,137
Households <sup>1</sup>	8,787	982	2,470	214	12,453
Employment (at place of work) <sup>2</sup>	8,205	542	5,343	928	15,018
Land Area (acres)	236,486	50,439	93,778	n/a	380,703
Taxable Assessed Value - Total <sup>3</sup>	\$1,958,064,000	\$588,825,000	\$677,313,000	\$5,400,000	\$3,229,602,000
Taxable Assessed Value - Improvements <sup>3</sup>	\$1,214,534,000	\$316,494,000	\$344,845,000	\$3,309,000	\$1,879,182,000
National Flood Insurance Premium Losses <sup>4</sup>	n/a	n/a	n/a	n/a	n/a
Direct Economic Value Added Per Day <sup>5</sup>	\$1,950,898	\$146,446	\$2,036,831	\$128,469	\$4,262,644
Indirect & Induced Economic Value Added P	\$893,263	\$54,916	\$725,109	\$46,312	\$1,719,600
Total Economic Value Added Per Day <sup>5</sup>	\$2,844,161	\$201,362	\$2,761,940	\$174,781	\$5,982,244

# Potential Metrics for Comparing Benefits in Chehalis River Basin

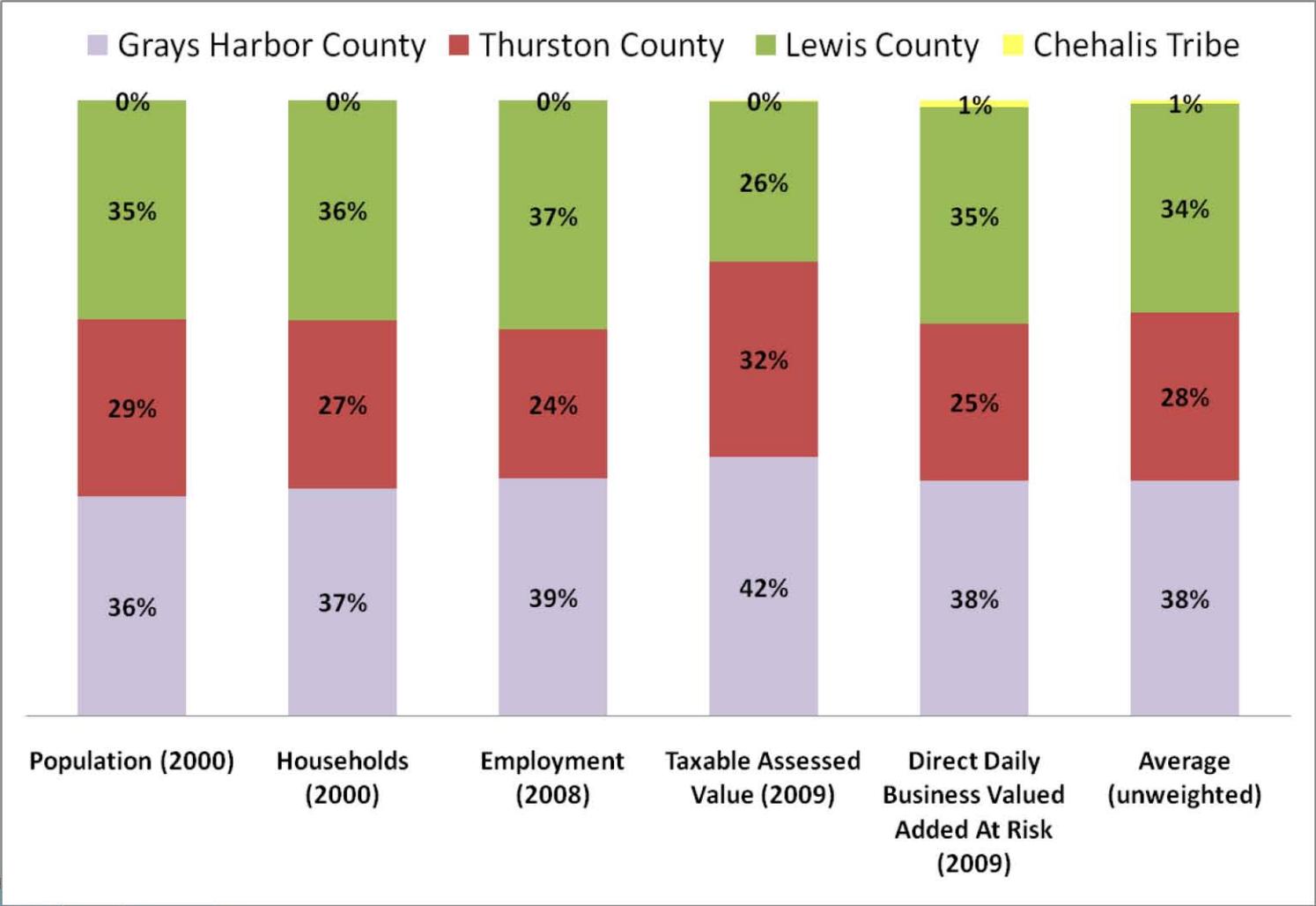
- ▶ Population and households (<sup>1</sup> 2000 & 2010 Census data)
- ▶ Employment (<sup>2</sup> 2008 Census data)
- ▶ Land Area and Assessed Values (<sup>3</sup> local sources)
- ▶ NFIP loss data (<sup>4</sup> FEMA data not recommended)
- ▶ Economic Value Added Per Day (<sup>5</sup> IMPLAN data)

Basin Area	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
Population <sup>1</sup>	39,527	31,964	39,241	n/a	110,732
Households <sup>1</sup>	15,720	11,603	15,113	n/a	42,436
Employment (at place of work) <sup>2</sup>	19,018	11,902	18,344	n/a	49,264
Land Area (acres)	764,398	502,371	202,721	n/a	1,469,490
Taxable Assessed Value <sup>3</sup>	\$5,459,800,000	\$4,124,600,000	\$3,371,388,293	\$14,162,000	\$12,969,950,293
Taxable Assessed Value - Improvements <sup>3</sup>	\$3,529,000,000	\$2,171,000,000	n/a	\$9,165,000	n/a
National Flood Insurance Premium Losses <sup>4</sup>	\$4,364,470	\$3,448,798	\$22,542,192	n/a	\$30,355,460
Direct Economic Value Added Per Day <sup>5</sup>	\$4,760,000	\$3,170,000	\$4,390,000	\$128,469	\$12,448,469

# Potential Allocation of Benefits in Chehalis River Floodplain



# Potential Allocation of Benefits in Chehalis River Basin



# Potential Construction Benefits

(per each million dollars spent on flood mitigation)

- ▶ Each million in regional spending would generate:
  - 10.9 jobs (direct and indirect/induced impacts)
  - \$544,689 in labor income
  - \$901,676 in valued added (GDP)
  - \$1.4 million in economic output

Impact Type	Employment	Labor Income	Value Added	Output
Direct Impact	6.9	\$394,890	\$660,167	\$1,000,000
Indirect Impact	1.7	\$69,849	\$97,310	\$170,260
Induced Impact	2.3	\$79,951	\$144,199	\$235,997
<b>Total</b>	<b>10.9</b>	<b>\$544,689</b>	<b>\$901,676</b>	<b>\$1,406,257</b>

# Key Questions for Today

- ▶ Confirm locally preferred economic benefit metrics
- ▶ Need to update findings with 2010 Census data?
- ▶ Need to modify the floodplain or basin boundary assumptions?

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# Preliminary Financial Analysis

Chehalis River Basin Flood District Formation  
February 17, 2010

# Purpose of Financial Analysis

- ▶ Compile known costs for flood district
- ▶ Identify unknown costs for flood district
- ▶ Propose methodology for allocating costs
  - Among participating jurisdictions
  - Between the floodplain and the remaining basin
- ▶ Calculate planning level rates / taxes for consideration

# Known Costs / Projects

Description	Estimated Cost	External Share	Local Share
Early Warning System	\$?	\$?	\$?
District Staff / Management	\$645,000	? <sup>1</sup>	? <sup>1</sup>
Hydraulic Analysis	\$400,000	? <sup>1</sup>	? <sup>1</sup>
Fish Study	\$275,000	\$275,000 <sup>2</sup>	\$0
Twin Cities Project	\$130 million	\$130 million	\$0
Basinwide GI Study	\$6 million	\$3.5 million <sup>3</sup>	\$2.5 million <sup>3</sup>
Potential Projects (2010 Plan)	? <sup>4</sup>	? <sup>4</sup>	? <sup>4</sup>

<sup>1</sup> Request for State funds pending.

<sup>2</sup> Re-appropriation of existing State funds.

<sup>3</sup> Assumes \$1 million already funded; remainder 50/50 split.

<sup>4</sup> No available cost estimates.

# List: Non-Structural Mitigation Measures

- ▶ **Public Information:** Education materials – flood proofing guidance
- ▶ **Regulation:** Improve floodplain regulations, develop conservation easement programs
- ▶ **Planning and data collection:** Improve hydraulic modeling, study woody debris and stream gravels
- ▶ **Reduce damage to existing structures:** Develop home elevation and buyout programs
- ▶ **Emergency response and preparedness:** Develop early warning systems
- ▶ **Natural resources protection projects:** Protect and restore riparian areas

# List: Structural Measures

- ▶ Floodplain protection
  - Culvert improvements, tributary drainage improvements
- ▶ Bank protection
  - Bank stabilization and protection
- ▶ Conveyance capacity
  - Open channel migration zone

# Cost Allocation Question #1

- ▶ What is the best basis for allocating costs between the floodplain and the remaining basin?

**Recommendation: Allocate costs to floodplain by direct economic value added in floodplain / total economic benefit of floodplain improvements in the basin**

# Cost Allocation Question #2

- ▶ What is the best basis for allocating costs among participating jurisdictions?

**Recommendation: Allocate floodplain costs from previous slide to each jurisdiction 50/50 by floodplain economic value added / floodplain assessed valuation**

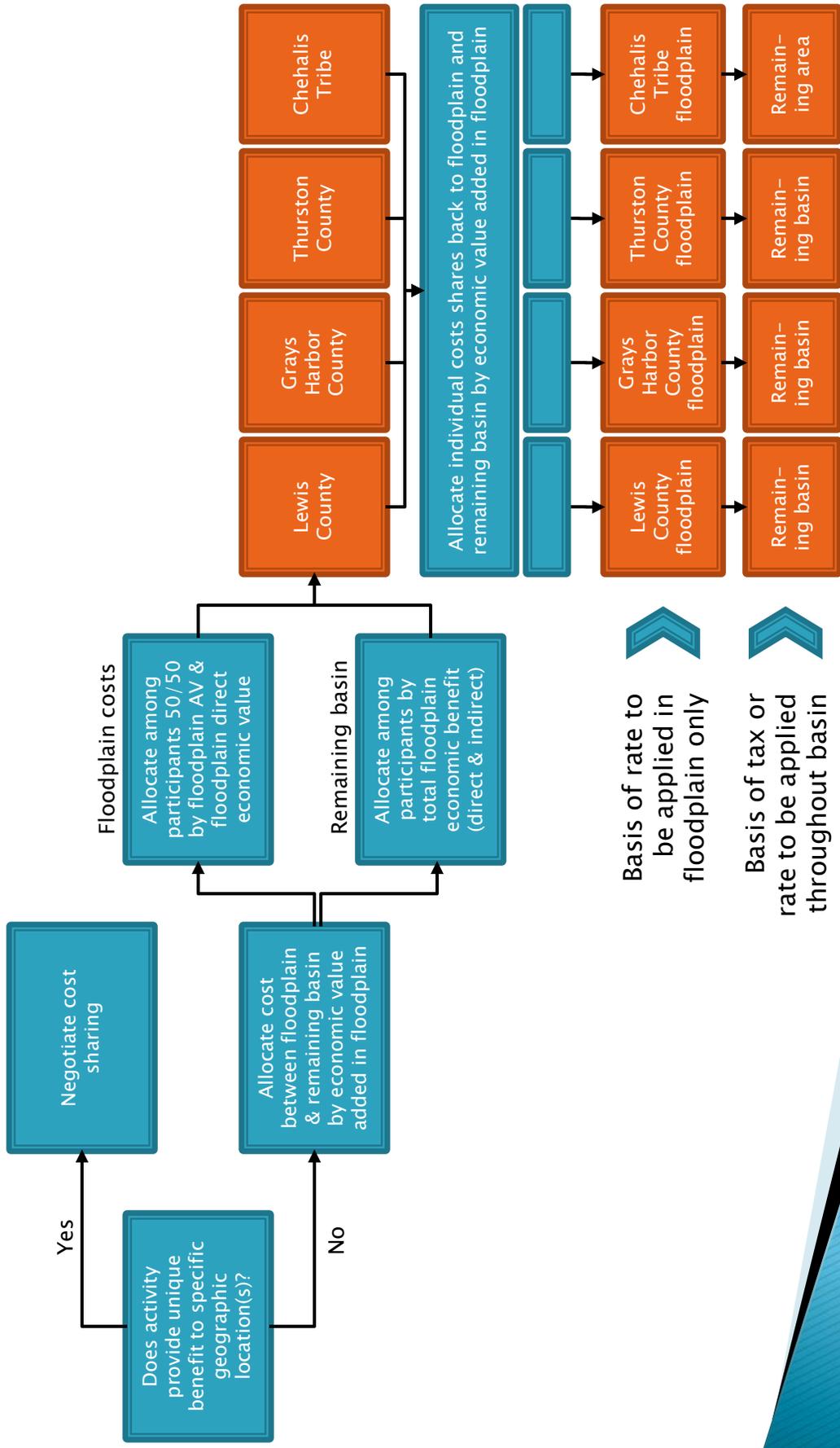
**Allocate remaining basin costs by total economic benefit / value of floodplain to basin**

# Potential Allocation Bases

Allocation Factors	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
1 Floodplain Area Population	22,209	2,400	6,837	691	32,137
2 Floodplain Area Households	8,787	982	2,470	194	12,433
3 Floodplain Area Employment	8,205	542	5,343	928	15,018
4 Floodplain Area Taxable Assessed Value - Total	\$ 1,958,064,000	\$ 588,825,000	\$ 677,313,000	\$ 5,400,000	\$ 3,229,602,000
5 Floodplain Area Taxable Assessed Value - Improvements	\$ 1,214,534,000	\$ 316,494,000	\$ 344,845,000	\$ 3,309,000	\$ 1,879,182,000
6 Floodplain Area NFIP Losses	n/a	n/a	n/a	n/a	n/a
7 Floodplain Area Direct Economic Value Added per Day	\$ 1,950,898	\$ 146,446	\$ 2,036,831	\$ 128,469	\$ 4,262,644
8 Floodplain Area Indirect Benefit in Region	\$ 893,263	\$ 54,916	\$ 725,109	\$ 46,312	\$ 1,719,600
9 Floodplain Area Total (Dir. & Indir.) Benefit in Region	\$ 2,844,161	\$ 201,362	\$ 2,761,940	\$ 174,781	\$ 5,982,244
10 Floodplain Area Ratio of Direct Benefit to Total Benefit	68.6%	72.7%	73.7%	73.5%	71.3%
11 Floodplain Area Impervious ERUs [a]	11,249	1,145	4,073	472	16,938
12 Contributing Area Population	17,318	29,564	32,404	n/a	79,286
13 Contributing Area Households	6,933	10,621	12,643	n/a	30,197
14 Contributing Area Employment	10,813	11,360	13,001	n/a	35,174
15 Contributing Area Taxable Assessed Value - Total	\$ 3,501,736,000	\$ 3,535,775,000	\$ 2,694,075,293	\$ 8,762,000	\$ 9,740,348,293
16 Contributing Area Taxable Assessed Value - Improvements	\$ 2,314,466,000	\$ 1,854,506,000	n/a	\$ 5,856,000	n/a
17 Contributing Area NFIP Losses	n/a	n/a	n/a	n/a	n/a
18 Contributing Area Direct Economic Value Added per Day	\$ 2,810,000	\$ 3,020,000	\$ 2,350,000	n/a	\$ 8,180,000
19 Basin Area Population	39,527	31,964	39,241	n/a	110,732
20 Basin Area Households	15,720	11,603	15,113	n/a	42,436
21 Basin Area Employment	19,018	11,902	18,344	n/a	49,264
22 Basin Area Taxable Assessed Value - Total	\$ 5,459,800,000	\$ 4,124,600,000	\$ 3,371,388,293	\$ 14,162,000	\$ 12,969,950,293
23 Basin Area Taxable Assessed Value - Improvements	\$ 3,529,000,000	\$ 2,171,000,000	n/a	\$ 9,165,000	n/a
24 Basin Area NFIP Losses	\$ 4,364,470	\$ 3,448,798	\$ 22,542,192	n/a	\$ 30,355,460
25 Basin Area Direct Economic Value Added per Day	\$ 4,760,000	\$ 3,170,000	\$ 4,390,000	n/a	\$ 12,320,000

[a] Assumes one household equals one ERU, one employee equals 400 sq.ft. of developed floor space plus 800 sq.ft. of parking. One ERU equals 4,000 sq.ft. of impervious surface area.

# Proposed Approach



# Rate Authorization

## RCW 86.15.160

**Excess levies, assessments, regular levies, and charges — Local improvement districts.**

For the purposes of this chapter the supervisors may authorize:

...(4) A charge, under RCW 36.89.080, for the furnishing of service to those who are receiving or will receive benefits from storm water control facilities and who are contributing to an increase in surface water runoff...

# Revenue Requirement Scenarios

1. State Assistance – funds all
  - revenue requirement (to District): \$0
2. No State Assistance, District funds nothing
  - revenue requirement (to District): \$0
3. No State Assistance, District funds only District staff / management; awaits State funding for major capital projects
  - first year revenue requirement: \$645,000
  - 7/1–12/31/2011 District staff through member contributions
4. No State Assistance, District funds staff / management & hydraulic analysis; awaits State funding for major capital projects
  - first year revenue requirement \$1,045,000
  - 7/1–12/31/2011 District staff through member contributions

# Summary of Cost Allocations

Scenario 3: District funds only District staff / management; awaits State funding for other needs

- 1st year revenue requirement: \$645,000

Jurisdictions	FLOODPLAIN AREA COSTS		CONTRIBUTING AREA COSTS		TOTAL REVENUE REQUIREMENT	
	Allocated Costs	Percent Share	Allocated Costs	Percent Share	Allocated Costs	Percent Share
Grays Harbor County	\$ 244,495	53.20%	\$ 88,148	47.54%	\$ 332,643	51.57%
Thurston County	\$ 49,792	10.83%	\$ 6,241	3.37%	\$ 56,032	8.69%
Lewis County	\$ 157,998	34.38%	\$ 85,600	46.17%	\$ 243,598	37.77%
Chehalis Tribe	\$ 7,310	1.59%	\$ 5,417	2.92%	\$ 12,727	1.97%
<b>TOTAL</b>	<b>\$ 459,594</b>	<b>100.00%</b>	<b>\$ 185,406</b>	<b>100.00%</b>	<b>\$ 645,000</b>	<b>100.00%</b>

# Summary of Cost Allocations

Scenario 4: District funds staff / management & hydraulic analysis; awaits State funding for other needs

- 1st year revenue requirement: \$1,045,000

Jurisdictions	FLOODPLAIN AREA COSTS		CONTRIBUTING AREA COSTS		TOTAL REVENUE REQUIREMENT	
	Allocated Costs	Percent Share	Allocated Costs	Percent Share	Allocated Costs	Percent Share
Grays Harbor County	\$ 396,120	53.20%	\$ 142,814	47.54%	\$ 538,933	51.57%
Thurston County	\$ 80,670	10.83%	\$ 10,111	3.37%	\$ 90,781	8.69%
Lewis County	\$ 255,981	34.38%	\$ 138,685	46.17%	\$ 394,666	37.77%
Chehalis Tribe	\$ 11,843	1.59%	\$ 8,776	2.92%	\$ 20,619	1.97%
<b>TOTAL</b>	<b>\$ 744,614</b>	<b>100.00%</b>	<b>\$ 300,386</b>	<b>100.00%</b>	<b>\$ 1,045,000</b>	<b>100.00%</b>

# Summary of Rates / Taxes

	Revenue Requirement Scenario 3 (\$645,000 O&M Cost Only)		Revenue Requirement Scenario 4 (Total O&M and Hydraulic Analysis Costs)		Per \$100,000 Spending (O&M or CIP Costs)	
	Floodplain Area	Entire Basin	Floodplain Area	Entire Basin	Floodplain Area	Entire Basin
Applicable Costs =>	Floodplain Costs	Contributing Area Costs	Floodplain Costs	Contributing Area Costs	Floodplain Costs	Contributing Area Costs
Charge Bases =>	Impervious ERUs in Floodplain Area	\$1,000 AV in Basin	Impervious ERUs in Floodplain Area	\$1,000 AV in Basin	Impervious ERUs in Floodplain Area	\$1,000 AV in Basin
	per ERU per year	per \$1,000 AV	per ERU per year	per \$1,000 AV	per ERU per year	per \$1,000 AV
Grays Harbor County	\$ 20.28	\$ 0.019	\$ 32.86	\$ 0.031	\$ 3.14	\$ 0.003
Thurston County	\$ 35.60	\$ 0.004	\$ 57.68	\$ 0.006	\$ 5.52	\$ 0.001
Lewis County	\$ 44.11	\$ 0.019	\$ 71.46	\$ 0.031	\$ 6.84	\$ 0.003
Chehalis Tribe	\$ 19.80	\$ 0.238	\$ 32.08	\$ 0.386	\$ 3.07	\$ 0.037

**Equivalent property tax applied uniformly throughout the basin:**

Applicable Costs =>	Total Cost of \$645,000	Total Cost of \$1,045,000
Charge Basis =>	\$1,000 AV in Basin	\$1,000 AV in Basin
Annual Tax for the Entire Basin	\$ 0.050	\$ 0.081
	Per \$100,000 Cost	\$1,000 AV in Basin

# Characteristics of Options

	Legal Constraints	Practical Considerations	Capital	Operations
<b>Taxes</b>	<ul style="list-style-type: none"> <li>- Ceiling of \$0.50 / \$1,000 AV without a public vote</li> <li>- May exceed with public vote</li> <li>- Must be applied uniformly</li> </ul>	<ul style="list-style-type: none"> <li>- Cannot be imposed on tax-exempt property</li> <li>- Can be "squeezed" by senior taxing entities</li> </ul>	<ul style="list-style-type: none"> <li>- Can be used for capital project(s), including:               <ul style="list-style-type: none"> <li>· Major flood control</li> <li>· Local / minor flood control</li> <li>· Stormwater facilities</li> </ul> </li> <li>- Can support revenue bond or voted GO debt</li> </ul>	<ul style="list-style-type: none"> <li>- Can be used for operations, including:               <ul style="list-style-type: none"> <li>· Maintenance</li> <li>· Engineering</li> <li>· Repairs</li> <li>· Public education</li> </ul> </li> </ul>
<b>Charges</b>	<ul style="list-style-type: none"> <li>- Those charged:               <ul style="list-style-type: none"> <li>· Must be contributing to runoff increase</li> <li>· Must be served or benefited by facilities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Must be indirect nexus between services provided and amount charged</li> <li>- Basis of charging undefined (often impervious surface)</li> </ul>	<ul style="list-style-type: none"> <li>- Can be used for capital project(s) meeting nexus test, including:               <ul style="list-style-type: none"> <li>· Major flood control</li> <li>· Local / minor flood control</li> <li>· Stormwater facilities</li> </ul> </li> <li>- Can support revenue bond debt</li> </ul>	<ul style="list-style-type: none"> <li>- Can be used for operations, including:               <ul style="list-style-type: none"> <li>· Maintenance</li> <li>· Engineering</li> <li>· Repairs</li> <li>· Public education</li> </ul> </li> </ul>
<b>Assessments</b>	<ul style="list-style-type: none"> <li>- Capital only (not operations)</li> <li>- Can be applied only on specially benefited properties</li> <li>- Assessment limited to AV increase</li> </ul>	<ul style="list-style-type: none"> <li>- Administratively cumbersome</li> <li>- Difficult to demonstrate special benefit</li> </ul>	<ul style="list-style-type: none"> <li>- Can be used for capital project(s) that provide special benefit</li> <li>- Can support revenue bond debt</li> </ul>	<ul style="list-style-type: none"> <li>- Can not be used for operations</li> </ul>

# Cost Recovery Evaluation

Description	Equitable	Revenue Sufficiency	Reliability	Ease of Admin
Taxes	●	●	●	●
Charges	●	●	●	●
Assessments	●	●	●	●

# Future Fiscal Policies

- ▶ Maintain an appropriate working capital balance as a cushion against fluctuating expenditures, taking into account the size of the program and other factors
- ▶ Fund capital repair and replacement over time
- ▶ Maintain an appropriate level of capital contingency funding for emergency needs
- ▶ Develop a capital funding strategy once a project list and associated costs are developed

# Summary of Financial Analysis

- ▶ Revenue Requirement: Scenario 3 – fund only  
District staff / management (\$645,000)
- ▶ Cost Allocation:
  - Between floodplain and remaining basin – allocate costs to floodplain by direct economic value added in floodplain / total economic benefit of floodplain improvements in the basin
  - Among jurisdictions – allocate remaining basin costs by total economic benefit / value of floodplain to basin

# Summary of Financial Analysis

- ▶ **Cost Recovery**
  - Recover floodplain costs in a rate to developed property
  - Recover remaining basin costs in a property tax
- ▶ **Rate Credits**
  - Provide credits against floodplain rate for properties that develop to recommended standards

# Next Steps

- ▶ Results of direction today will be incorporated into the DRAFT ILA
- ▶ DRAFT ILA will be the subject of the March Flood Authority meeting
- ▶ We anticipate continued review in April
- ▶ We suggest the ILA be calendared now for necessary public process and action in May/June by each signator to the Agreement
- ▶ Presumes that the FCZDs of each jurisdiction will be formed by May/June action on the ILA

CHEHALIS  
RIVER BASIN  

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FLOOD AUTHORITY

# Cost Allocation Analysis

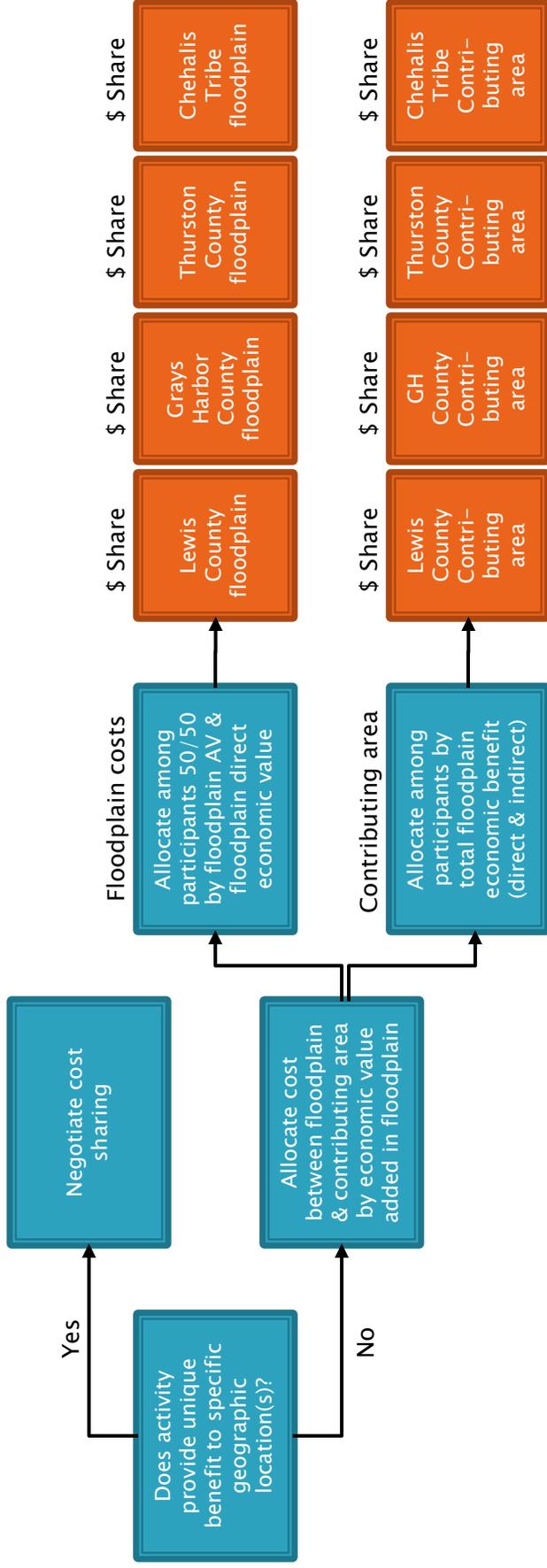
Chehalis River Basin Flood District Formation  
March 17, 2011

# Potential Allocation Bases

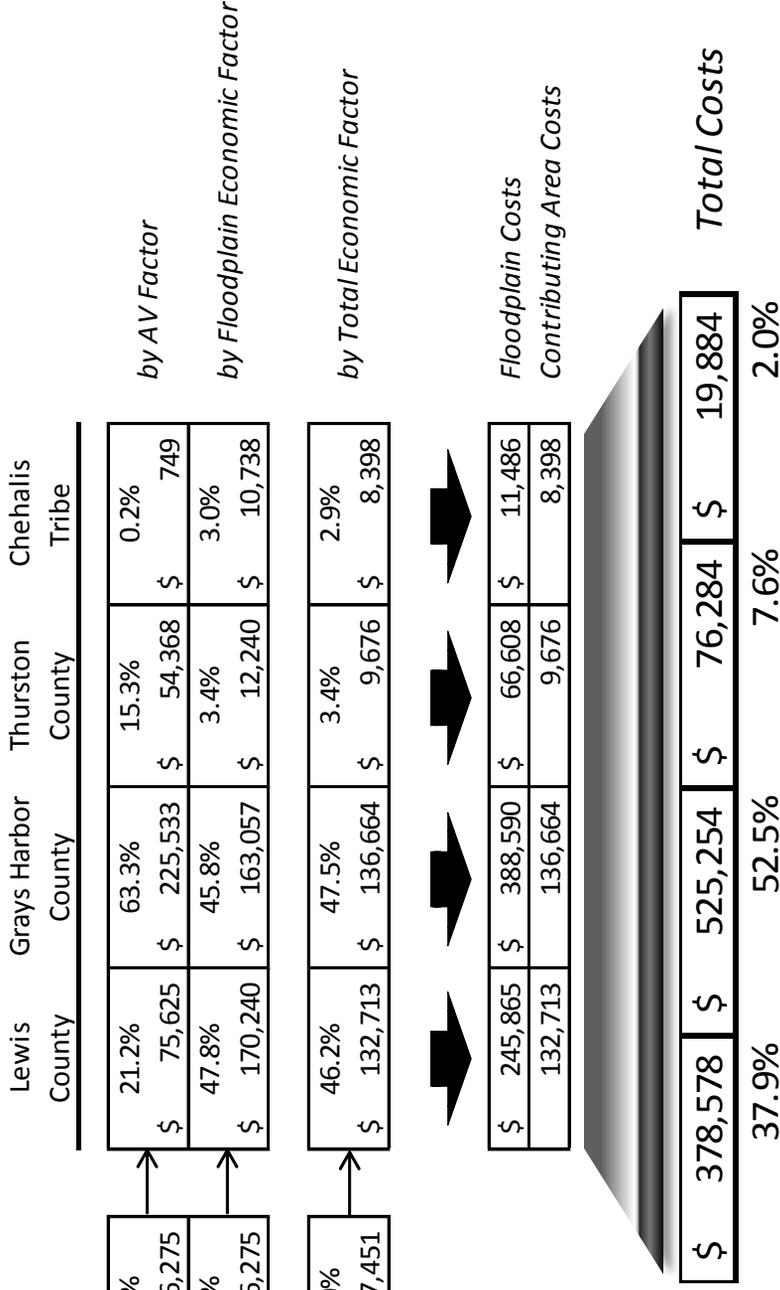
Allocation Factors	Grays Harbor County	Thurston County	Lewis County	Chehalis Tribe	Total
1 Floodplain Area Population	22,209	2,400	6,837	691	32,137
2 Floodplain Area Households	8,787	982	2,470	194	12,433
3 Floodplain Area Employment	8,205	542	5,343	928	15,018
4 Floodplain Area Total Assessed Value	\$ 2,854,000,000	\$ 688,000,000	\$ 957,000,000	\$ 9,473,000	\$ 4,508,473,000
5 Floodplain Area Total Assessed Value - Improvements	\$ 1,819,000,000	\$ 337,600,000	\$ 487,000,000	\$ 4,453,000	\$ 2,648,053,000
6 Floodplain Area Taxable Assessed Value - Total	\$ 1,958,064,000	\$ 588,825,000	\$ 677,313,000	\$ 5,400,000	\$ 3,229,602,000
7 Floodplain Area Taxable Assessed Value - Improvements	\$ 1,214,534,000	\$ 316,494,000	\$ 344,845,000	\$ 3,309,000	\$ 1,879,182,000
8 Floodplain Area NFIP Losses	n/a	n/a	n/a	n/a	n/a
9 Floodplain Area Direct Economic Value Added per Day	\$ 1,950,898	\$ 146,446	\$ 2,036,831	\$ 128,469	\$ 4,262,644
10 Floodplain Area Indirect Benefit in Basin	\$ 893,263	\$ 54,916	\$ 725,109	\$ 46,312	\$ 1,719,600
11 Floodplain Area Total (Dir. & Indir.) Benefit in Basin	\$ 2,844,161	\$ 201,362	\$ 2,761,940	\$ 174,781	\$ 5,982,244
12 Floodplain Area Ratio of Direct Benefit to Total Benefit	68.6%	72.7%	73.7%	73.5%	71.3%
13 Floodplain Area Impervious ERUs [a]	11,249	1,145	4,073	472	16,938
14 Contributing Area Population	17,318	29,564	32,404	n/a	79,286
15 Contributing Area Households	6,933	10,621	12,643	n/a	30,197
16 Contributing Area Employment	10,813	11,360	13,001	n/a	35,174
17 Contributing Area Taxable Assessed Value - Total	\$ 3,501,736,000	\$ 3,535,775,000	\$ 2,694,075,293	\$ 8,762,000	\$ 9,740,348,293
18 Contributing Area Taxable Assessed Value - Improvements	\$ 2,314,466,000	\$ 1,854,506,000	n/a	\$ 5,856,000	n/a
19 Contributing Area NFIP Losses	n/a	n/a	n/a	n/a	n/a
20 Contributing Area Direct Economic Value Added per Day	\$ 2,810,000	\$ 3,020,000	\$ 2,350,000	n/a	\$ 8,180,000
21 Basin Area Population	39,527	31,964	39,241	n/a	110,732
22 Basin Area Households	15,720	11,603	15,113	n/a	42,436
23 Basin Area Employment	19,018	11,902	18,344	n/a	49,264
24 Basin Area Taxable Assessed Value - Total	\$ 5,459,800,000	\$ 4,124,600,000	\$ 3,371,388,293	\$ 14,162,000	\$ 12,969,950,293
25 Basin Area Taxable Assessed Value - Improvements	\$ 3,529,000,000	\$ 2,171,000,000	n/a	\$ 9,165,000	n/a
26 Basin Area NFIP Losses	\$ 4,364,470	\$ 3,448,798	\$ 22,542,192	n/a	\$ 30,355,460
27 Basin Area Direct Economic Value Added per Day	\$ 4,760,000	\$ 3,170,000	\$ 4,390,000	n/a	\$ 12,320,000

[a] Assumes one household equals one ERU, one employee equals 400 sq.ft. of developed floor space plus 800 sq.ft. of parking. One ERU equals 4,000 sq.ft. of impervious surface area.

# Proposed Approach



# Example: \$1,000,000 Cost



## Appendix H – Summaries of Public Meeting Workshops

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**Chehalis River Basin Flood Authority  
Flood District Formation  
Thurston County Public Meeting  
Swede Hall, Rochester  
October 14, 2010**

**Draft Meeting Summary Report  
October 19, 2010**

**Prepared by:  
Norton-Arnold & Company**

## Introduction

The Chehalis River Basin Flood Authority is holding three public meetings – one each in Grays Harbor, Lewis, and Thurston Counties – to provide information about and receive public input on the potential formation of a flood district to address flooding problems in the Chehalis River Basin, which includes parts of the three counties. All meetings are being held from 5:30 to 8:00 p.m. and consist of an open house from 5:30 to 6 p.m., a presentation from 6:00 to 6:30 p.m., and a public comment period from 6:30 to 8 p.m. Meeting dates, locations, and times are:

- Thursday, October 14 at Swede Hall (18543 Albany Street SW) in Rochester
- Monday, October 18 at City Hall (112 N. Main Street) in Montesano
- Thursday, October 28 at the Centralia Middle School (901 Johnson Road) in Centralia

This report summarizes the results of the Thurston County meeting. Approximately 35 people attended the meeting. The Flood Authority was represented by the following members: Ron Averill, Lewis County Commissioner; Edna Fund, Centralia City Council; Julie Balmelli-Powe, City of Chehalis; Karen Valenzuela, Thurston County Commissioner; Mark White, Chehalis Tribe; and Terry Willis, Grays Harbor County Commissioner. The meeting was staffed by consultants from the consultant team hired by the Flood Authority to assist with district formation, and included: Pam Bissonnette and John Ghilarducci from FCS Group; and Chris Hoffman and Fala Frazier from Norton-Arnold & Company. Bruce Mackey and Spencer Easton, Flood Authority staff; and Mark Swartout, Thurston County Natural Resources Program Manager, also attended the meeting.

## Presentation

Chris Hoffman began the presentation by welcoming all participants and giving a brief introduction of Flood Authority members and consultant staff. He indicated that the flood district formation process is about creating a new organization to address flooding problems in a comprehensive and cooperative manner on a multi-county basis. He also said that it was important for the Flood Authority to hear from the public on the proposed district, and welcomed participants to fill out comment forms, which were provided at the sign-in table. A copy of the comment form is provided in Appendix A of this report. Chris then turned over the presentation to Pam and John who spent approximately a half an hour covering a range of topics, including:

- Flooding issues
- Actions being undertaken by the Flood Authority
- The district formation process and options for district types
- The role of a flood district
- A description of developing district boundaries and governance structure
- The benefits of forming a flood district
- Ways to stay involved in the formation process

A copy of the presentation is provided in Appendix B of this report.

## Question and Comment Period

After the presentation Chris opened up the floor for questions and comments from meeting participants. A complete transcript of the questions and comments, as well as the responses to them, is provided in Appendix C of this report. In summary, the questions and comments followed a number of common themes including:

**Paying for flood control projects outside of Thurston County.** In general, participants said that they don't want to pay to address problems if they are not contributing to them. Specifically, many participants said that Thurston County should not have to help pay for the large dam and levee projects currently being considered in Lewis County. They said that these projects will not benefit Thurston County and that Lewis County is looking for ways to spread the cost of these projects. They also said that some of the flood damage experienced in Lewis County is a result of the County allowing development in the flood plain and that Thurston County should not contribute to addressing problems that are a result of Lewis County land use decisions.

**Voting on district formation.** Many participants felt that there should be a public vote on flood district formation, specifically because the district will have taxing authority. They were also concerned that cities and towns would not have representation on the flood district, and some suggested that Thurston County should form its own district rather than participate in a multi-county district. On a related topic, participants said they wanted to know more about the projects before a district was formed, to know what they are getting before they are asked to help pay, and whether or not there would be a vote on the list of projects.

**Flood district boundaries.** Participants had a number of questions about the flood district boundary—how it was developed and how it will be approved. It was explained that the boundary roughly follows the watershed boundary and that the Boundary Review Board for each county reviews and holds public hearings on the proposed boundary. Participants were generally concerned that those within the boundary should benefit from flood reduction projects and programs.

**Public meeting notification.** Participants made a number of comments about the notification done for the public meetings and said that the mailing that was done to the approximately 3,000 addresses within the flood plain was not enough. They said that it was especially important for people to know about this process because they might be asked to pay taxes or rates to help pay for projects. They suggested that school reader boards, radio and newspaper advertising, and a larger mailing should be used to notify the public.

**Impacts of dams and levees.** Participants were concerned about the cost and environmental impacts of large scale infrastructure projects. One specific concern was that a new dam on the upper Chehalis or South Fork could affect the Chehalis River system, which has healthy fish stocks and good salmon habitat. It was also noted that the cost of the project would be extremely high and would place a large burden on those within the district.

## **Appendices**

Appendix A - Comment Form

Appendix B – Meeting Presentation

Appendix C - Transcript of the Questions and Comments

**Appendix A - Comment Form**



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Chehalis River Basin Flood Authority  
c/o Norton-Arnold & Company  
1932 First Avenue, Suite 802  
Seattle, WA 98101

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# Appendix B – Meeting Presentation

CHEHALIS  
RIVER BASIN  
FLOOD AUTHORITY

# Chehalis River Basin Flood Entity Formation Public Meeting

Swede Hall, Rochester - October 14, 2010

# Meeting Goals

- ▶ Present information and answer questions on forming a multi-county flood district in the Chehalis River Basin
- ▶ Outline formation process and schedule
- ▶ Discuss next steps
- ▶ Receive your input on formation process

# The Issues

- ▶ Repeated major flooding in the Chehalis Basin including Lewis, Thurston and Grays Harbor Counties
- ▶ Multiple federally declared disasters
- ▶ Millions of dollars of damages
- ▶ Disruption of lives and commerce
- ▶ Closures of I-5 and State highways
- ▶ No single county can solve this problem alone

# 2007 Thurston County Flood Damages

## 2007 December Flooding

- ▶ Damage reporting from homeowners: \$13,461,820
- ▶ Damage reporting from businesses: \$2,027,904
- ▶ Damage reporting from local public agencies: \$4,559,483
- ▶ Initial damage reports: conservative estimate

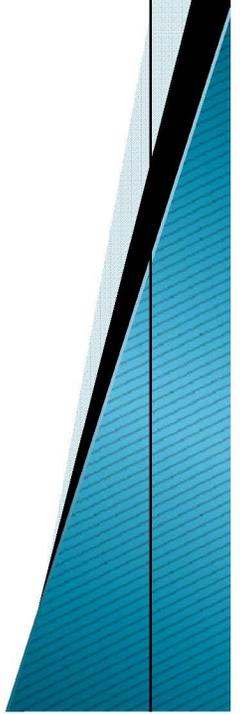
# 2009 Thurston County Flood Damages

## 2009 January Flooding

- ▶ Damage reporting from homeowners: \$1,612,653
- ▶ Damage reporting from businesses: \$58,926
- ▶ Damage reporting from local public agencies: \$2,508,716
- ▶ Initial damage reports: conservative estimate

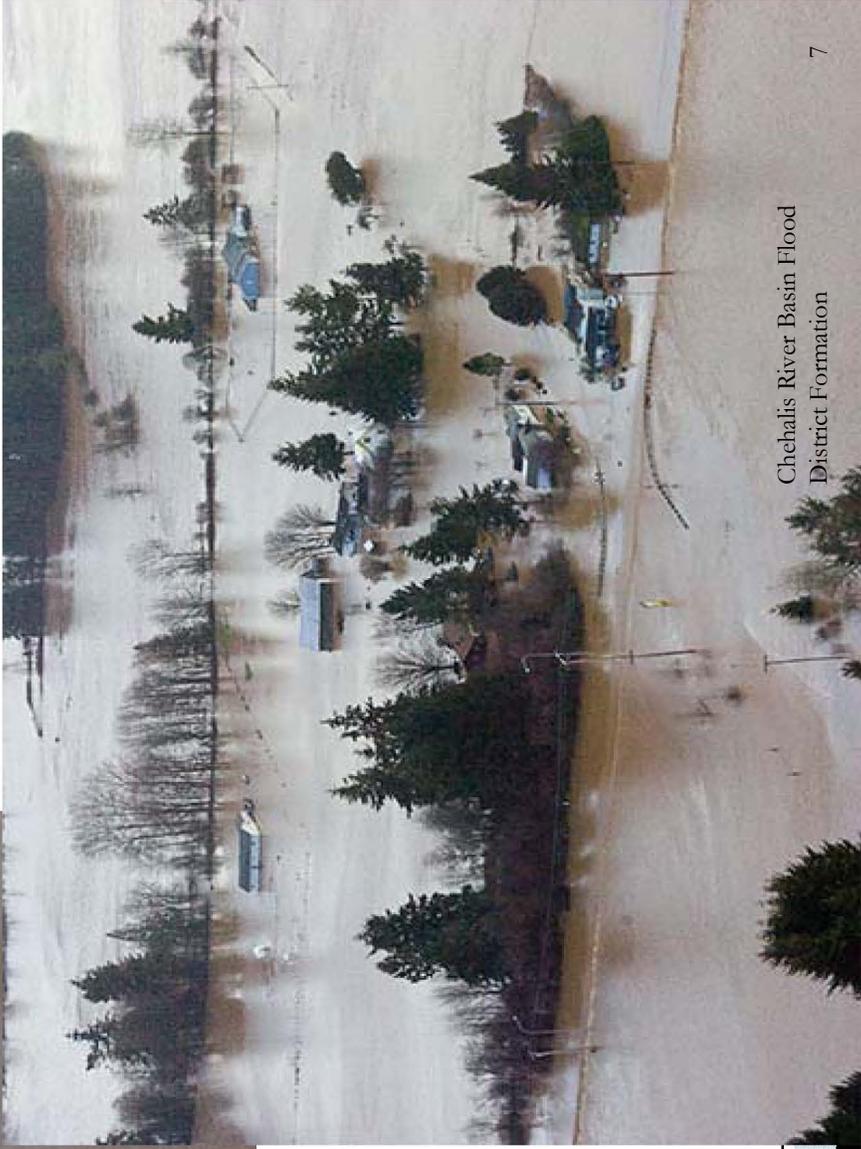


▶ Picture

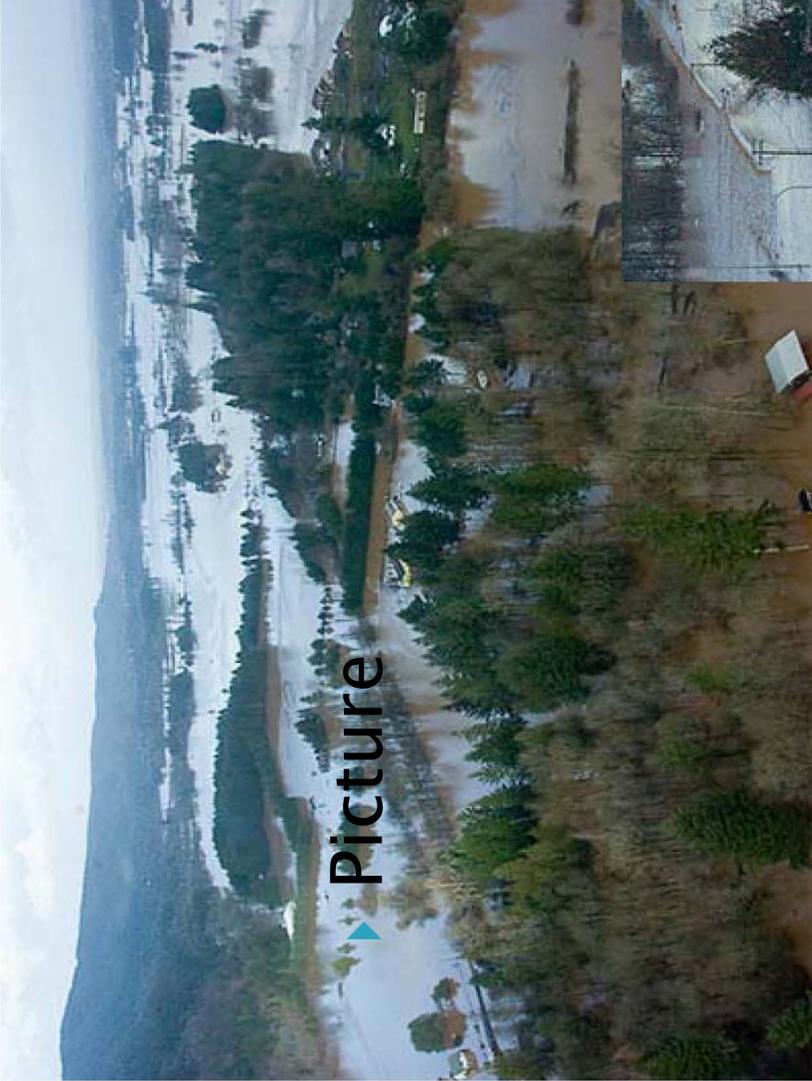




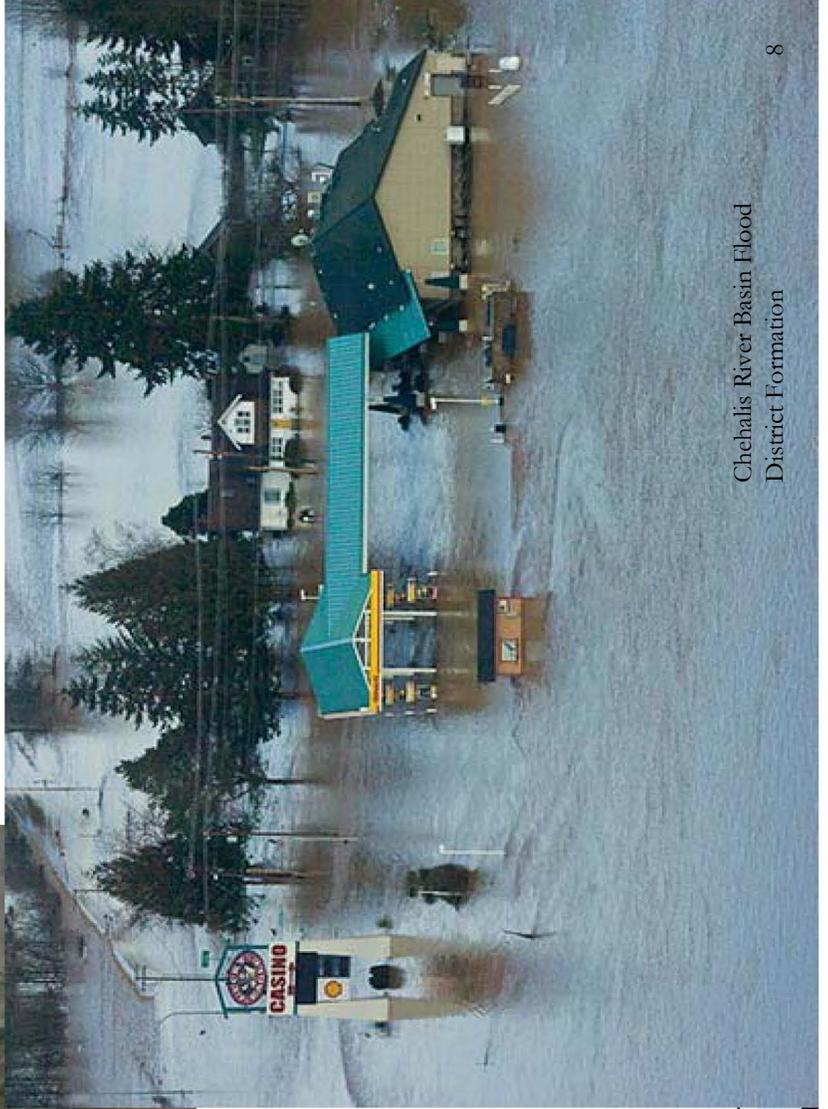
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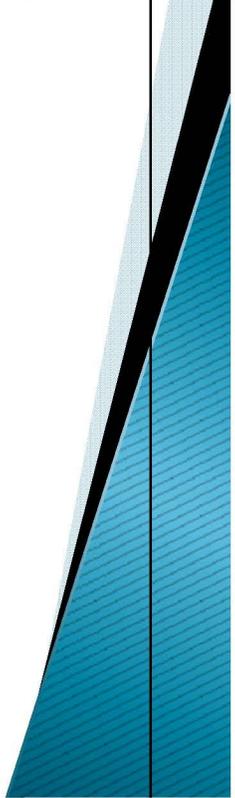
Chehalis River Basin Flood  
District Formation



▶ Picture



Chehalis River Basin Flood  
District Formation



# Actions to Date

- ▶ The Flood Authority formed as a temporary entity by Interlocal Agreement among 11 jurisdictions in 2008 to address flood issues throughout the basin
- ▶ Held public meetings in February and April 2009
- ▶ Conducted a basin-wide survey on flood mitigation in March 2009



# Actions to Date

- ▶ The Flood Authority completed the flood hazard mitigation plan in June 2010
- ▶ State legislation awarded \$2.5 million to the Flood Authority in anticipation that a basin-wide flood district be formed as soon as possible

**Chehalis River Basin**  
Comprehensive Flood  
Hazard Management Plan



# Actions to Date

- ▶ Current state budget legislation created a deadline of June 2011 to form a flood district
- ▶ The FA provisionally selected a multi-county flood entity structure be formed by interlocal agreement of the members as an interim structure, by June 2011 deadline

# District Formation Process: Next Steps

- ▶ Legislation to amend state law to authorize creation of multi-county Flood Control Zone District (FCZD)
- ▶ Interim multi-county flood entity formed by interlocal agreement could be replaced by a FCZD
- ▶ County Commissioners (BoCC) decision of *intent* to form FCZD & set boundaries **[December 2010]**

# District Formation Process: Next Steps

- ▶ Public meetings on boundaries and tax/charge/assessments [March 2011]
- ▶ Boundary Review Board (BRB) decision [March 2011]
- ▶ Establish FCZD following BRB process [June 2011]
  - BoCC initial Board of Supervisors (later may be elected)
- ▶ Determine tax/charge/assessments as means to raise revenues [fall 2011 or later]

# Thurston County Options

- ▶ Expand existing Drainage Utility and amend rates for the Chehalis River Basin
- or
- ▶ Form a new FCZD for the Chehalis River Basin
- or
- ▶ Form a new FCZD for all Thurston County for potential future application to other river basins in addition to the Chehalis Basin



# What is a Flood Control Zone District?

- ▶ District formed by vote of Board of County Commissioners, who also set the boundary
- ▶ District Board of Supervisors is the Board of County Commissioners, or can be separately elected after formation
- ▶ Has tax/charge/assessment authority
- ▶ Has broad authority for services
- ▶ Can issue voted general obligation and non-voted revenue bonds

# Role of Multi-County FCZD

- ▶ Develop flood projects
- ▶ Develop Flood Hazard Mitigation Plan/Updates
- ▶ Determine funding level and agree on allocations to members
- ▶ Undertake or contract with others to do projects/programs
- ▶ May issue bonds depending on structure

## Why A Multi-County FCZD?

- ▶ A Multi-County FCZD provides for a regional, coordinated, and cooperative approach to addressing flooding problems.
- ▶ A Multi-County FCZD can raise revenues for flood purposes through taxes, charges and/or assessments.
- ▶ A Multi-County FCZD can require both incorporated and unincorporated areas [excluding tribal lands] within the County be included in the boundary by decision of the Board of County Commissioners.

# Economic Analysis

- ▶ The FA has commissioned an economic analysis
- ▶ The economic impacts of flood damage, disruption to lives and commerce, and flood insurance costs will be documented
- ▶ Analysis will underscore importance of reducing flood impacts within the Chehalis River Basin to the economies of the region and state



# District Boundaries

- ▶ May include territory within two or more counties
- ▶ Must generally follow boundaries of watershed area
- ▶ May include tribal reservation land located within watershed area with tribal approval.
- ▶ May not overlap other FCZD boundaries if they exist



# CHEHALIS RIVER BASIN FLOOD DISTRICT FORMATION

Upper Chehalis, Lower Chehalis, and Grays Harbor Subbasins

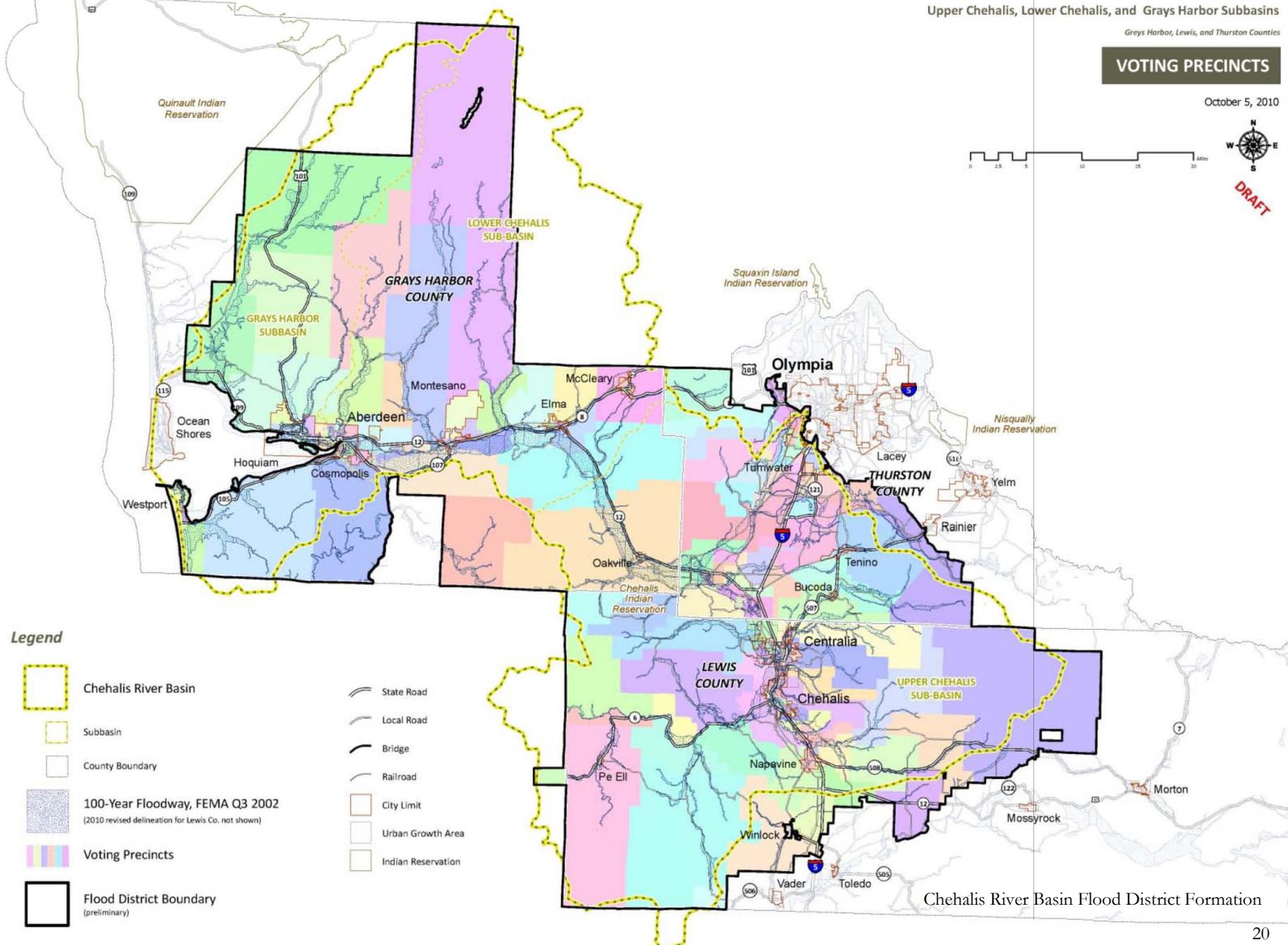
Greys Harbor, Lewis, and Thurston Counties

## VOTING PRECINCTS

October 5, 2010



**DRAFT**



### Legend

- Chehalis River Basin
- Subbasin
- County Boundary
- 100-Year Floodway, FEMA Q3 2002  
(2010 revised delineation for Lewis Co. not shown)
- Voting Precincts
- Flood District Boundary  
(preliminary)
- State Road
- Local Road
- Bridge
- Railroad
- City Limit
- Urban Growth Area
- Indian Reservation

Chehalis River Basin Flood District Formation

# Governance

- ▶ Initially will be the BoCC of each County
- ▶ Decisions made collectively based on an interlocal agreement among members (assumed to be Grays Harbor, Lewis, and Thurston counties/cities, and the Chehalis Tribe)
- ▶ After formation, decision-makers can be directly elected

# Benefits

- ▶ Provides additional ability to directly address longstanding flooding issues
- ▶ Provides ability to comprehensively address Chehalis Basin flooding which the individual jurisdictions cannot do alone
- ▶ Provides funding to match federal & state sources to do projects / programs



# Public Meetings

- ▶ Public meetings will be held from 5:30 to 8:00 p.m. on:
  - ▶ Thursday, October 14 at Swede Hall in Rochester\*
  - ▶ Monday, October 18 at City Hall in Montesano\*
  - ▶ Thursday, October 28 at the Centralia Middle School in Centralia\*
- ▶ \*Presentation at 6 p.m. each night

# Other Ways to Stay Involved

- ▶ Attend Chehalis River Basin Flood Authority meetings
  - Held 3<sup>rd</sup> Thursday of each month – check Lewis County web site for details
- ▶ Check BoCC calendar for each County for public hearings and meetings regarding FCZD formation
- ▶ For more information and all Flood Authority documents, go to <http://lewiscountywa.gov/communitydevelopment/chehalis-river-basin-flood-authority>
- ▶ Email [info@chehalisriverbasin.org](mailto:info@chehalisriverbasin.org) with questions or comments

**Appendix C - Transcript of the Questions and Comments**

# **Chehalis River Basin Flood District Formation**

## **Public Meeting #1**

### **Rochester, WA**

### **October 14, 2010**

#### **Questions and Comments from the Public**

Q: I can see a heck of a battle over this. The Board of County Commissioners (BOCC) can vote to create this flood district. The city representatives won't have a vote in there. There's going to be a war. The county vs. city has already happened. Thought this was going to be a vote of the people. I don't think County Commissioners should override the municipalities. Where's the money going to be coming from?

A: The statute does allow for the BOCC to put this out for election. There is the ability in the interlocal agreement for counties to include cities on the board. There doesn't have to be exclusions.

Q: We have the board – we don't need to go any further. The projects are going to cost \$300 million.

A: We haven't been told a cost yet. The State is involved/invested in this, and they have already put \$2.5 million into this effort. We're not anticipating all money coming from the Flood Control Zone District (FCZD), some money will come from the State. There's nothing to stop the BOCC from putting this out to a vote.

Comment: I don't think the BOCC is going to do that. I want to see this whole thing go to the citizens.

Q: We have a Flood Authority now – what's the difference?

A: The Flood Authority can't levy funds. The new group will make decisions on the future plans, projects, protections levels, how much it will cost, and then make decisions on how to raise the money.

Q: Aren't the two in conflict?

A: No, the current Flood Authority is a temporary entity put in place to form the district. They will dissolve after that.

Q: Do all three counties have to participate? Or can two decide to participate and can two form the final district.

A: There's nothing compelling any County to be a part of this. There are actually 8 counties with a stake in this – the three largest are Grays Harbor, Thurston, and Lewis Counties. The compelling reason to come together is that no one county can fix the flooding.

A: Any single county can form a flood control district. The new legislation that is being generated out of the flood authority is to allow two or more counties to form a district.

A: It would also allow for other counties to join later who are also part of the basin.

Comment: When headwater starts in the river it's going to make it to the mouth. We could have one county trying to fix things but they could pass problems down the river. We want to get together to solve problems that don't pass on other problems to others. The Twin Cities project on the Skookumchuk dam – the dam is actually in Thurston County. Water comes into the dam past the choke point. We're trying to work together to coordinate these things and find a solution that works for everyone. If the two were Lewis and Grays Harbor in the district – that leaves Thurston in the middle. We're aiming toward a cooperative agreement between all three counties.

Q: I don't like to see the forming of this body as a taxing authority before we see what we're buying. If you're not talking about projects then how are you going to sell this?

A: Forming the district doesn't raise any money at all. It makes a decision-making authority that can make a plan, and then figure out what it will take to do all the projects.

Q: Why didn't the current group do all this?

A: They were formed by an interlocal agreement aimed to form the entity.

A: The flood authority has been working – we haven't been doing nothing. Getting approval takes a long time. First objective was to improve the one dam so we didn't have another flood sneak up on us. We are working on a project to improve the early warning system – emergency operation centers with computers to help predict when and where problems are going to occur to get first responders out to people. The Twin Cities project isn't scheduled to start until 2016 - if it goes at all - which it might not. It is scheduled to finish in 2020. We will have flooding before that. We've been doing studies on other things that can be done in local cities. The Flood Authority has compiled a list of about 126 smaller projects and some other large projects. The partnership – Chehalis River Partnership has been working on ecosystem projects. We have started projects.

Comment: This organization has been in place a couple of years – the Flood Authority (FA) – but last night was first I had heard about it. I might be potentially in a new taxing district. That alarmed me. Second, we all recognize water runs downhill. Chehalis River has been flooding for the last century. County Commissioners have allowed development in the flood plain, I'm not happy to have to pay taxes to fix damages from those who built in the flood zone. It would be like asking me in Lewis County to pay for sewer in Tumwater – as I sit on my septic system. Black River drainage goes up past Black Lake with valuable homes that could contribute substantially to a district. They are on a tributary that contributes a marginal amount of water to the problem. Asking them to pay seems like an opportunity a Commissioner couldn't pass up.

Q: Does the district boundary have to follow the boundary of the basin or can they change it?

A: They have to follow it discretionally. This is the first time anyone has seen this map. We went conservative – big – the area of Black Lake if we could get some hydro data from that area – there's some question on how much if at all it flows into the basin. We wanted to draw the boundary larger to get people involved so we can get it right. We wanted to get people who contributed and those who benefit.

Q: It seems like Seattle would benefit from not having I-5 flood. Do the Commissioners have the authority to identify boundaries other than the basin?

A: If there is a reasonable basis.

Q: Who decides what is reasonable?

A: The statute – this has to go to the Boundary Review Board (BRB). After the BOCC makes their decisions then it goes to the BRB. The Boundary Review Board (each county has one) is also used for annexations – if anyone objects to an annexation they go to the BRB. With FCZD it goes to the same process:

- BOCC adopts Notice of Intent
- Notice of Intent goes to BRB
- Anyone can object
- It goes through a public hearing process

The BRB has 5 members – 2 from government – 1 city – 1 special district – 1 county. Anyone can petition to be on the BRB.

Q: Does the BRB apply to any boundary in that county?

A: Yes – by county.

Q: How will this work for this joint effort?

A: The first step is an interlocal agreement – Lewis County already has a Flood Control Zone District so they can sign the agreement, Thurston can also sign since they have a stormwater utility, Grays Harbor would have to create a stormwater utility or FCZD in order to participate. If they all join, the boundary covers all three counties. A county can bow out if they want to.

Q: What is the new legislation?

A: The Flood Authority was interested in finding a structure that was a single entity – that doesn't exist in state law – we had to go forward with new legislation that allows for a multi-county FCZD.

Q: Is this legislation on the web site?

A: Not yet. It's in draft form, but it will be up on the web site by early next week.

Q: You don't even have a draft, so we can comment on the draft?

A: All materials for the FA meeting have been sent to be put on the website. It will be available shortly.

Q: You work very closely with the Federal government. How are you working with FEMA in Lewis County? How are you working with them on this project?

A: We are not working with the Corps on this project.

A: Right now FEMA is proposing new maps for the Chehalis River Basin. We are not directly involved with that in the Flood Authority.

A: The new FEMA maps are a separate project. They are provisional and are being challenged by the locals. We have a meeting next week with FEMA to tell them how we object. The maps are vastly expanding the floodway and we are challenging them. We do, with many of the projects, work with the state and the Flood Authority. Some of the money from the state pot is going to the Corps for the Twin Cities project. We're working to get access to federal and state money. It won't all fall on the public. We're working on that. When Department of Transportation benefits from a project, they also have to contribute to it. We'll get the state to pay their share.

Q: The public involvement effort – none of my neighbors were aware of this meeting. If 44% of Thurston County were aware of this, the hall wouldn't be big enough. You need to do a better job of informing the public. Secondly, how can you not talk about projects when you're creating a regional governance with a huge rate base - that tells me that you're talking about really big projects. Chehalis is one of the best remaining river systems and has a healthy fish stock, which would be ruined by a dam. I can empathize with those experiencing flooding – I don't empathize with big box stores being built in the flood plain. I don't want to pay for putting a dam on the upper Chehalis or South Fork. Spring Chinook spawning areas would flood. We are removing dams on the Elwah River, so why are we talking about building expensive dams here. Don't ask me to pay for a district with a blank check.

Comment: Aren't levees also an issue with salmon habitat? Don't they just pass the problem down the line? Why are they challenging the FEMA maps? If those areas flooded before they mapped it – why are they challenging them? Because they want to build big box stores.

Comment: The municipalities want the maps changes for the revenue base. They hired an attorney to fight it with our tax dollars. The initiative started with \$300 million. We can't talk about something without talking about costs.

A: The water retention project is \$335 million – it's not an approved project. There is a lot of opposition to it. We would look for funding outside the FCZD if it was approved. The levees planned in Twin Cities are predominately set back levees - put back to let river have it's natural course, but yes – levees just redirect how water goes. Twin Cities project is trying to mitigate for the levees project.

Q: There has been discussion about 2 different kinds of districts – flood control and flood control zone district.

A: The Flood Authority made a provisional decision to go with the zone district. It better meets the needs of all involved. We are just dealing with the zone district concept.

Q: What about voter approval – flood control zone district doesn't require voter approval?

A: That's true.

Q: The governance of the district, does the idea currently being considered give one area the same vote as another? Is it population based?

A: That hasn't been decided. There are a number of ways to do that.

Q: With the estimates of adverse impacts – do you have those broken out by river miles – what the effects are downstream from my drainage and upstream from my drainage.?

A: We have economists working on it. It depends on how he can parse that out. We can use the transportation area zones and do the best we can with the data we have.

Q: If you made the argument that all Black River drainage was having an adverse effect I'd want to know what part of that I was contributing to. I don't want to pay for it if I'm not contributing to it.

A: We need to get the flow data from Black River to Chehalis to see what that is. We'll try to find it out.

Q: What happens then on the rate assessment part of this? In March are you figuring out the rate assessment?

A: No – in March and April the BRB will have looked at the boundaries and if they approve, they will form the district. It just forms the district - it doesn't levy a dime. Subsequent to that they will decide what projects need to be done and decide how money will be allocated to members. Only then will anything be levied. The earliest any taxes or rates would be collected is fall 2011, but it could be later.

Q: So after the district is formed, the BOCC sets expected projects to be funded in the flood control zone and then decides among themselves what fraction of the cost will be attributed to each of the counties that are participating?

A: Yes – or at that point they could put it out to public vote.

Q: But it's not required?

A: No – not unless they are going to sell bonds.

Q: I live on the Black River; I don't flood but all my neighbors do. What about flows that change the geography? Is there anything done to stop them or fine them or make them pay for all this flooding?

A: The way the flood district can be formed, it would have tax authority and rate authority. Rate authority can charge those who cause more of the problems more than those who don't. The potential is there to create a rate structure to assign more costs to those properties that cause more problems.

Q: You are an organization that everyone only heard about this morning and you want us to trust you? How is this going to work? The elected officials can tax us more if they want to and you know they want to. So tell me how this will work – why should we trust you?

A: We're trying to give you this information as transparently as possible. We're trying to get the word out as much as possible. We went over the process for formation of a FCZD. In the end the county can decide to do nothing, to work independently of each other, or work together.

Q: Why are the FEMA maps being rejected?

A: We're not working with the FEMA maps.

Comment: You would have to ask the BOCC from Lewis County – they are the ones fighting.

Q: These officials will make the decisions. We have to live with that. When you start doing the taxes of up to a maximum of .50/\$1000 of assessed value and on top of that whoever benefits the most will raise rates again. As for getting money from the state – we are the state – we're paying for it.

A: The tax - .50 per thousand – I don't know anyone who levies the maximum amount. The reason I mentioned rates is because it's a possibility. The district could just use taxes or they could levy the rates. We all benefit on some level – but those who benefit more – those in the floodplain – it's a policy choice if those people should pay more. If they decide to do that, there would be a mechanism in place to make them pay more instead of making everyone pay more. It gives the district flexibility.

Comment: The state promised 5,000 votes against it and Safeco wouldn't be built – it was voted down and it got built anyway. I feel the same way about his.

Q: Thurston County has a stormwater utility that we all contribute to. In terms of rates or taxes and overlapping districts that already exist and do similar kinds of activities – how does that work? Is it allowed?

A: Drainage utilities are based on impervious services. A FCZD is usually used in places with major rivers and where it is impractical to measure impervious surfaces. In King County there was never enough money to fund major projects along the Cedar River using the surface water utility – it wasn't allowed – that's why the FCZD could be overlapped - it wouldn't be a double charge.

Q: I'm curious what the Chehalis tribe thinks about this.

A: State law doesn't allow us to be a part of this and the counties can't compel us to participate. We can opt in or out on a voluntary basis.

A: Personally I don't agree with this. I'm not impacted by floods. I live on a hill. I'm not going to pay to protect people upstream when they continue to keep doing what they are doing.

Q: I got a card a week ago about this – why did some only just hear about this?

A: We got a mailing list from Thurston County and mailed the postcards to that list.

Q: Why not mass mailing – flyers?

A: We're happy to take your suggestions about other ways to get in touch with people.

Comment: Maybe tell them more about the public process.

Comment: This is the first meeting of the formation process. This isn't the end – each county will have hearings on whatever option is chosen.

Q: Are you saying that everyone in the FCZD will get a flyer?

A: We can't afford to do big mailings.

Comment: There will be a meeting report about this meeting.

Comment: I only heard about this meeting yesterday from the Chehalis Basin Partnership. This is the most important meeting these people will ever have the opportunity to go to. To have just this small amount of people here is a disgrace. We have newspaper, television, radio. You should let everyone in the district know.

Q: What about the schools around here – maybe you could put up signs?

Q: I got 2 notices for this thing. They were both under different names. Why didn't all these other people get it?

Comment: You could use the Community Center board, the schools.

Q: This has been studied for 75 or 80 years. The problem is it rains up in Pe Ell and if flows down. Water (in the rivers) goes up and down and we live with it. What's going to change – you get more money and you study it and the water still goes up and down.

A: That the decision that the BOCC has to make – if they can live with it or if they want to make changes.

Q: The radio station 96.1 will give free advertisement for non-profits. What are building permits for? Why are we paying for these permits – what are they for?

A: Thurston County doesn't allow development in flood plains – we have to report to FEMA any permit requested – there are currently no new construction permits at all in the county.

Q: They are also supposed to study environmental impact. Now we're being told it hasn't been.

A: That's the planning department not the construction permit.

Q: I own 3 properties and I pay taxes up here. All my properties are flooded and my taxes go up each year. I lost my husband in '97 flood. This U.S. is so powerful and has so much machinery and everything – they come to my country – they build a ditch to the ocean and grow potatoes. The Chehalis River should be plated in gold with all the taxes we've paid. I'm going to sell all my properties in the flood area.

Comment: My name is Karen Valenzuela, I'm a Commissioner in Thurston County and a Flood Authority member. I appreciate all the feedback tonight. We will do better with the outreach. This isn't good enough. This presentation makes this sound like it's a done deal. Far from it. Thurston BOCC shares some of the concerns you voiced tonight. We don't think we would be comfortable moving forward

working with counties that we don't agree with how they do things. We've talked about a county-wide FCZD – particularly when other county's ideas of mitigation didn't agree with ours. We (commissioners) agree that this would have to come to you for a vote. We wouldn't do anything without coming to you for a vote and extensive public process. No project list – I share that concern. I won't be in favor of moving forward without a project list. It's a very contentious process. With all due respect to Lewis County – I know you're in the flood plain – we try to talk about a moratorium in the flood plain and you don't want to. There are a lot of things to talk about besides dams in the upper Chehalis River.

Thank you for coming tonight. Please fill out comment forms.



**Chehalis River Basin Flood Authority  
Flood District Formation  
Grays Harbor County Public Meeting  
City Hall, Montesano  
October 18, 2010**

**Draft Meeting Summary Report  
October 20, 2010**

**Prepared by:  
Norton-Arnold & Company**

## Introduction

The Chehalis River Basin Flood Authority is holding three public meetings – one each in Grays Harbor, Lewis and Thurston Counties – to provide information about and receive public input on the potential formation of a flood district to address flooding problems in the Chehalis River Basin, which includes parts of the three counties. All meetings are being held from 5:30 to 8:00 p.m. and consist of an open house from 5:30 to 6 p.m., a presentation from 6:00 to 6:30 p.m., and a public comment period from 6:30 to 8 p.m. Meeting dates, locations, and times are:

- Thursday, October 14 at Swede Hall (18543 Albany Street SW) in Rochester
- Monday, October 18 at City Hall (112 N. Main Street) in Montesano
- Thursday, October 28 at the Centralia Middle School (901 Johnson Road) in Centralia

This report summarizes the results of the Grays Harbor County meeting. Approximately 15 people attended the meeting. The Flood Authority was represented by the following members: Edna Fund, Centralia City Council; and Ron Schillinger, Mayor of Montesano. Al Carter, Grays Harbor County Commissioner represented Terry Willis, Grays Harbor County Commissioner and Chair of the Flood Authority. The meeting was staffed by consultants from the consultant team hired by the Flood Authority to assist with district formation, and included: Pam Bissonnette and John Ghilarducci, from the FCS Group; and Chris Hoffman and Fala Frazier from Norton-Arnold & Company. Bruce Mackey, Flood Authority staff, Lee Napier, Interim Planning Director for Grays Harbor County, and Mark Swartout, Thurston County Natural Resources Program Manager, also attended the meeting.

## Presentation

Chris Hoffman began the presentation by welcoming all participants and giving a brief introduction of Flood Authority members and consultant staff. He indicated that the flood district formation process is about creating a new organization to address flooding problems in a comprehensive and cooperative manner on a multi-county basis. He also said that it was important for the Flood Authority to hear from the public on the proposed district, and welcomed participants to fill out comment forms, which were provided at the sign-in table. A copy of the comment form is provided in Appendix A of this report. Chris then turned over the presentation to Pam and John who spent approximately a half an hour covering a range of topics, including:

- Flooding issues
- Actions being undertaken by the Flood Authority
- The district formation process and options for district types
- The role of a flood district
- A description of developing district boundaries and governance structure
- The benefits of forming a flood district
- Ways to stay involved in the formation process

A copy of the presentation is provided in Appendix B of this report.

## Question and Comment Period

After the presentation Chris opened up the floor for questions and comments from meeting participants. A complete transcript of the questions and comments, as well as the responses to them, is provided in Appendix C of this report. In summary, the questions and comments followed a number of common themes including:

**Methods of raising money to pay for projects.** Participants asked a number of questions about how money could be raised to pay for projects, whether the District could use a combination of taxes, rates and levies to raise money. They were concerned that the District would try to raise the maximum amount possible through these methods. They were concerned about fairness and whether those that helped cause problems, or who would benefit the most, would pay a larger share. They also expressed doubt that the flooding problems could really be fixed; that it would be necessary to remove all buildings from the flood plain.

**Voting on district formation.** Many participants felt that there should be a public vote on flood district formation, specifically because the district will have taxing authority. They were also concerned that cities and towns would not have representation on the flood district. Participants also said they wanted to know more about the projects before a district was formed, to know what they are getting before they are asked to help pay, and whether or not there would be a vote on the list of projects. Participants said that the problem has to be looked at holistically and that there were benefits to the three counties cooperating, but they were concerned about fairness and openness.

**Flood district boundaries.** Participants had a number of questions about the flood district boundary—how it was developed and how it will be approved. Some asked why Ocean Shores was not included since they are in the Basin. They also wanted to know if the Quinault Tribe was involved and if they could sue to stop this effort given their treaty rights on The Chehalis River.

**Public meeting notification.** Participants were concerned by the low turnout, and said that while there may be some public apathy that more effort needed to go into public outreach. One participant suggest that the Flood Authority take out full pages advertisements in local newspapers and that they should clearly explain that people may be taxed or required to pay rates.

## **Appendices**

Appendix A - Comment Form

Appendix B – Meeting Presentation

Appendix C - Transcript of the Questions and Comments

**Appendix A - Comment Form**



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Chehalis River Basin Flood Authority  
c/o Norton-Arnold & Company  
1932 First Avenue, Suite 802  
Seattle, WA 98101

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# Appendix B – Meeting Presentation

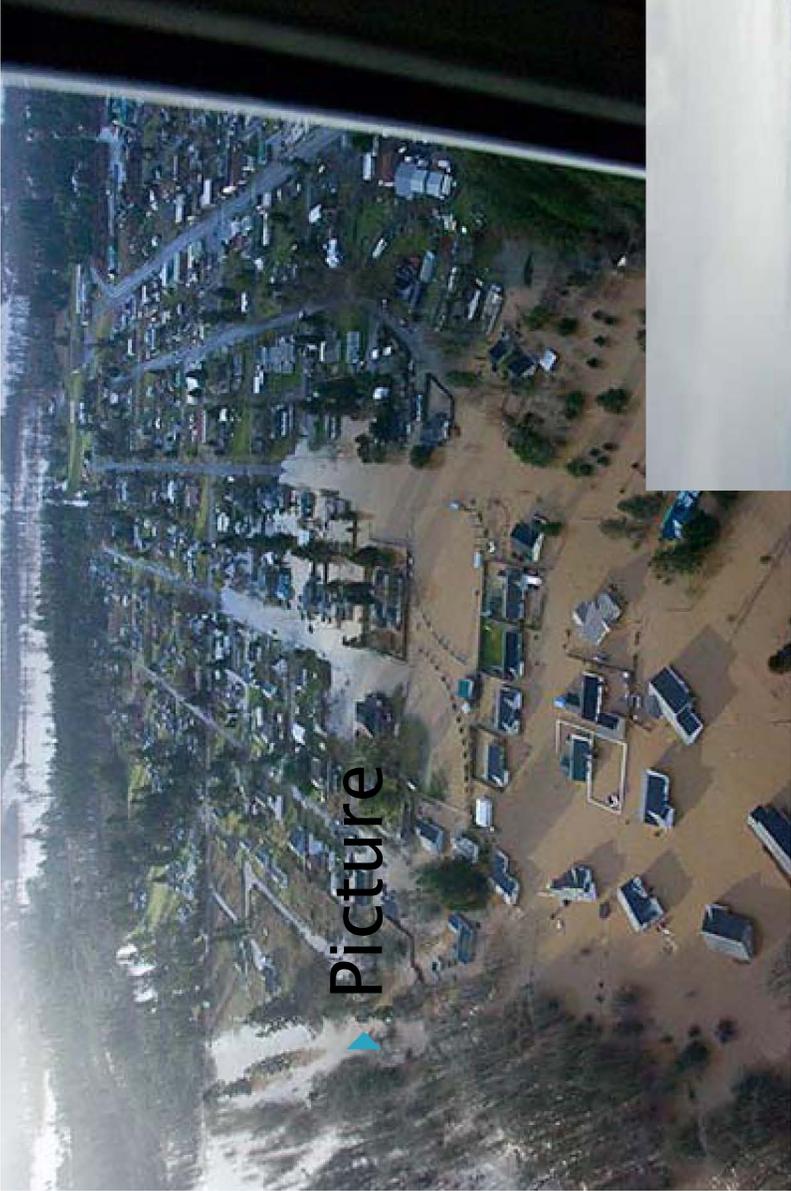


# Meeting Goals

- ▶ Present information and answer questions on forming a multi-county flood district in the Chehalis River Basin
- ▶ Outline formation process and schedule
- ▶ Discuss next steps
- ▶ Receive your input on formation process

# The Issues

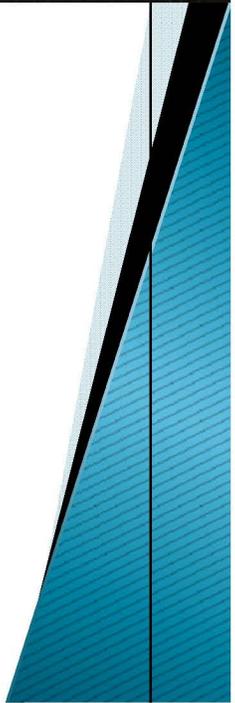
- ▶ Repeated major flooding in the Chehalis Basin including Lewis, Thurston and Grays Harbor Counties
- ▶ Multiple federally declared disasters
- ▶ Millions of dollars of damages
- ▶ Disruption of lives and commerce
- ▶ Closures of I-5 and State highways
- ▶ No single county can solve this problem alone

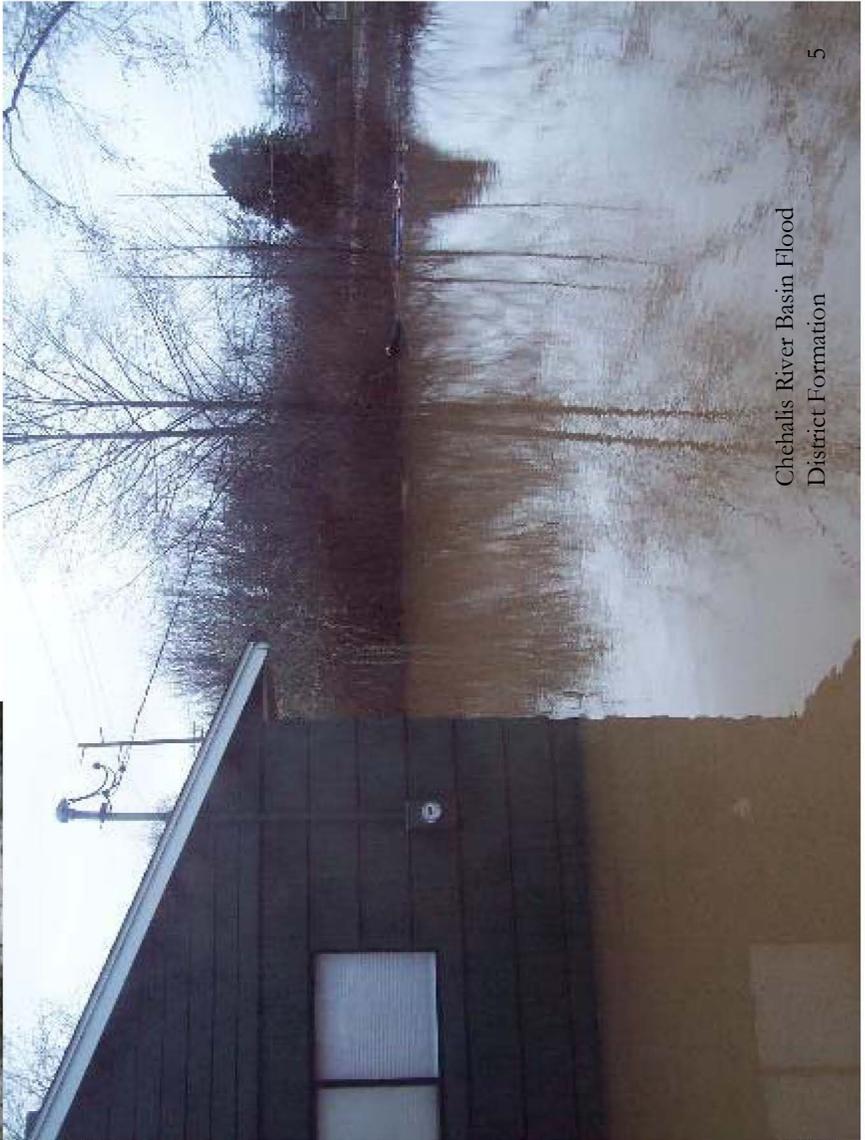


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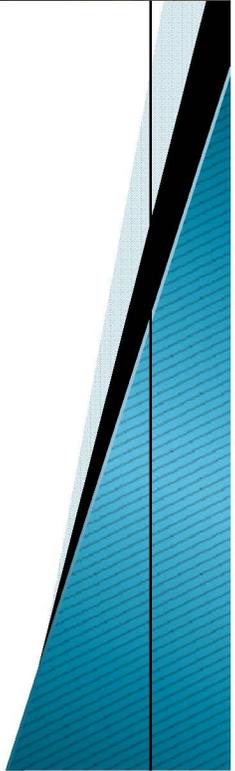


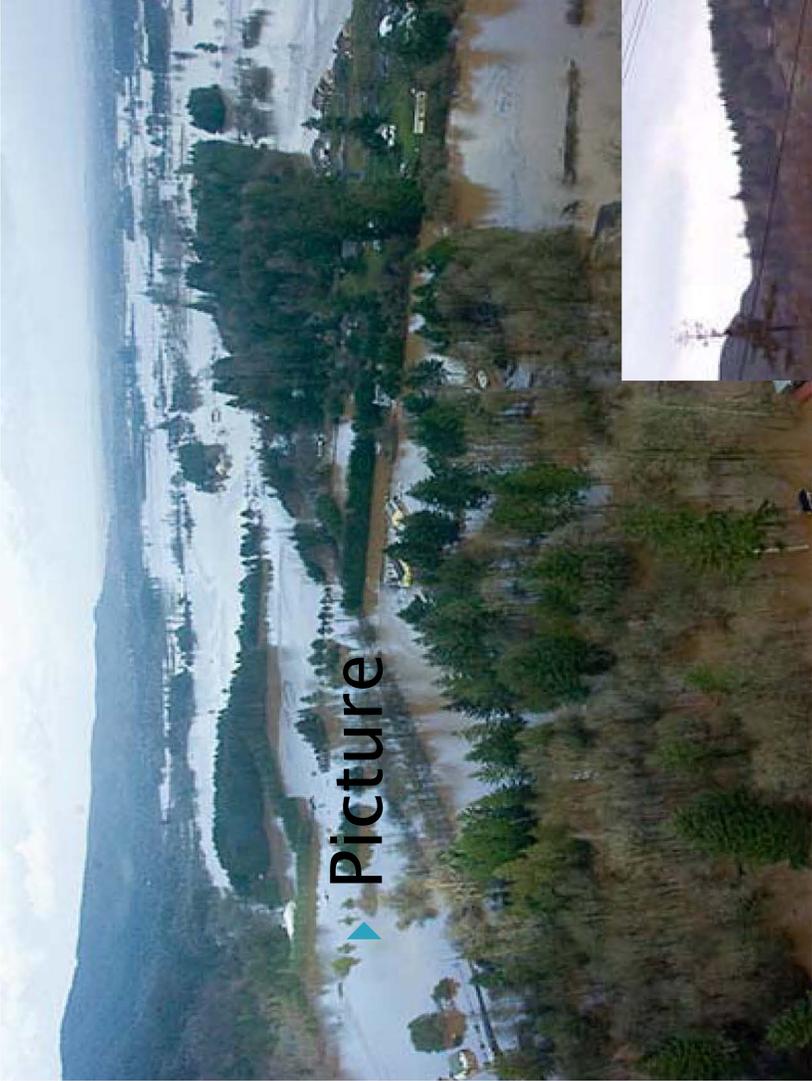
Chehalis River Basin Flood District Formation



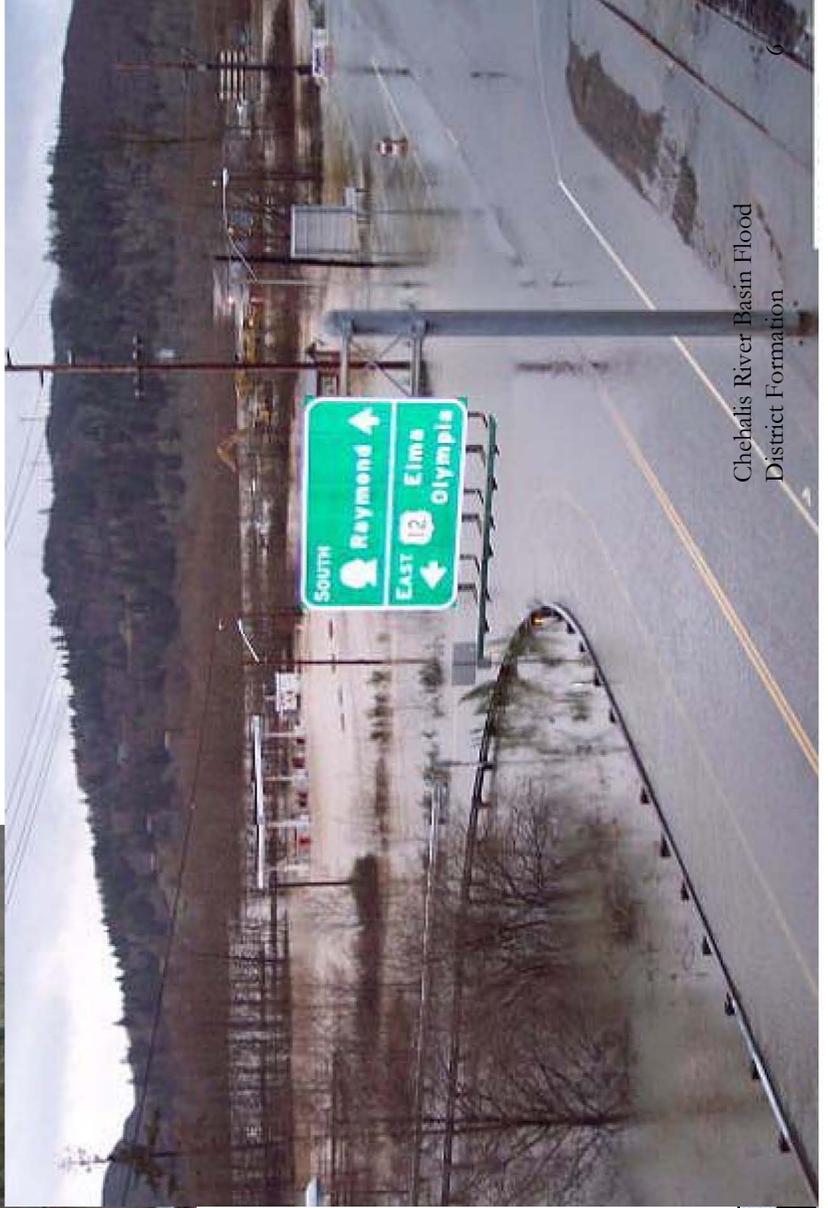


Chehalis River Basin Flood  
District Formation

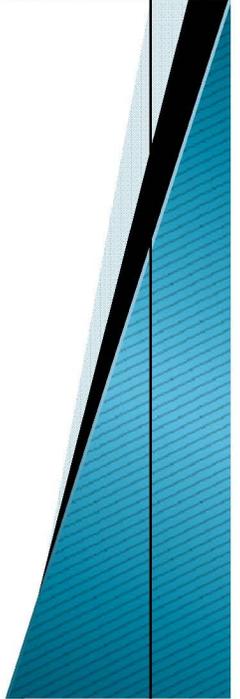




▶ Picture



Chehalis River Basin Flood  
District Formation



# Actions to Date

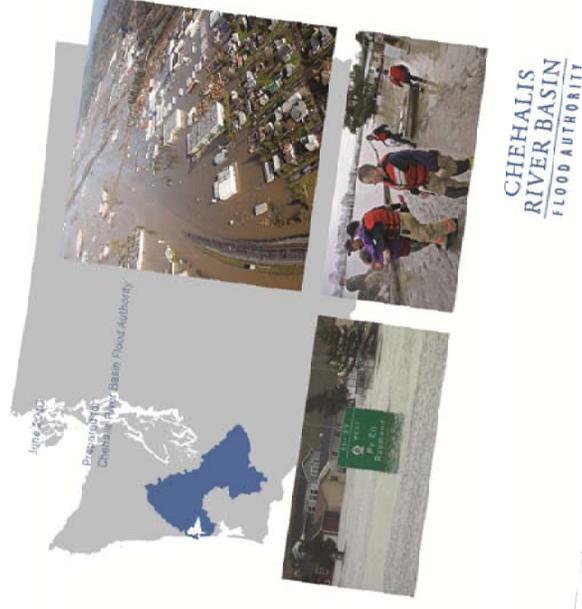
- ▶ The Flood Authority formed as a temporary entity by Interlocal Agreement among 11 jurisdictions in 2008 to address flood issues throughout the basin
- ▶ Held public meetings in February 2009 and April 2010
- ▶ Conducted a basin-wide survey on flood mitigation in March 2009



# Actions to Date

- ▶ The Flood Authority completed the flood hazard mitigation plan in June 2010
- ▶ State legislation awarded \$2.5 million to the Flood Authority in anticipation that a basin-wide flood district be formed as soon as possible

**Chehalis River Basin**  
Comprehensive Flood  
Hazard Management Plan



# Actions to Date

- ▶ Current state budget legislation created a deadline of June 2011 to form a flood district
- ▶ The FA provisionally selected a multi-county flood entity structure be formed by interlocal agreement of the members as an interim structure, by June 2011 deadline

# District Formation Process: Next Steps

- ▶ Legislation to amend state law to authorize creation of multi-county Flood Control Zone District (FCZD)
- ▶ Interim multi-county flood entity formed by interlocal agreement could be replaced by a FCZD
- ▶ County Commissioners (BoCC) decision of *intent* to form FCZD & set boundaries **[December 2010]**

# District Formation Process: Next Steps

- ▶ Public meetings on boundaries and tax/charge/assessments [March 2011]
- ▶ Boundary Review Board (BRB) decision [March 2011]
- ▶ Establish FCZD following BRB process [June 2011]
  - BoCC initial Board of Supervisors (later may be elected)
- ▶ Determine tax/charge/assessments as means to raise revenues [fall 2011 or later]

# Decisions for Grays Harbor County

- ▶ Adoption of Intent to form a FCZD, fall 2010
- ▶ Submit to Boundary Review Board (BRB), winter 2011
- ▶ Adopt ordinance to create FCZD after BRB decision by June 2011
- ▶ Approve Interlocal Agreement to form multi-county flood entity by June 2011

# What is a Flood Control Zone District?

- ▶ District formed by vote of Board of County Commissioners, who also set the boundary
- ▶ District Board of Supervisors is the Board of County Commissioners, or can be separately elected after formation
- ▶ Has tax/charge/assessment authority
- ▶ Has broad authority for services
- ▶ Can issue voted general obligation and non-voted revenue bonds

# Role of Multi-County FCZD

- ▶ Develop flood projects
- ▶ Develop Flood Hazard Mitigation Plan/Updates
- ▶ Determine funding level and agree on allocations to members
- ▶ Undertake or contract with others to do projects/programs
- ▶ May issue bonds depending on structure

## Why A Multi-County FCZD?

- ▶ A Multi-County FCZD provides for a regional, coordinated, and cooperative approach to addressing flooding problems.
- ▶ A Multi-County FCZD can raise revenues for flood purposes through taxes, charges and/or assessments.
- ▶ A Multi-County FCZD can require both incorporated and unincorporated areas [excluding tribal lands] within the County be included in the boundary by decision of the Board of County Commissioners.

# Economic Analysis

- ▶ The FA has commissioned an economic analysis
- ▶ The economic impacts of flood damage, disruption to lives and commerce, and flood insurance costs will be documented
- ▶ Analysis will underscore importance of reducing flood impacts within the Chehalis River Basin to the economies of the region and state



# District Boundaries

- ▶ May include territory within two or more counties
- ▶ Must generally follow boundaries of watershed area
- ▶ May include tribal reservation land located within watershed area with tribal approval.
- ▶ May not overlap other FCZD boundaries if they exist



# CHEHALIS RIVER BASIN FLOOD DISTRICT FORMATION

Upper Chehalis, Lower Chehalis, and Grays Harbor Subbasins

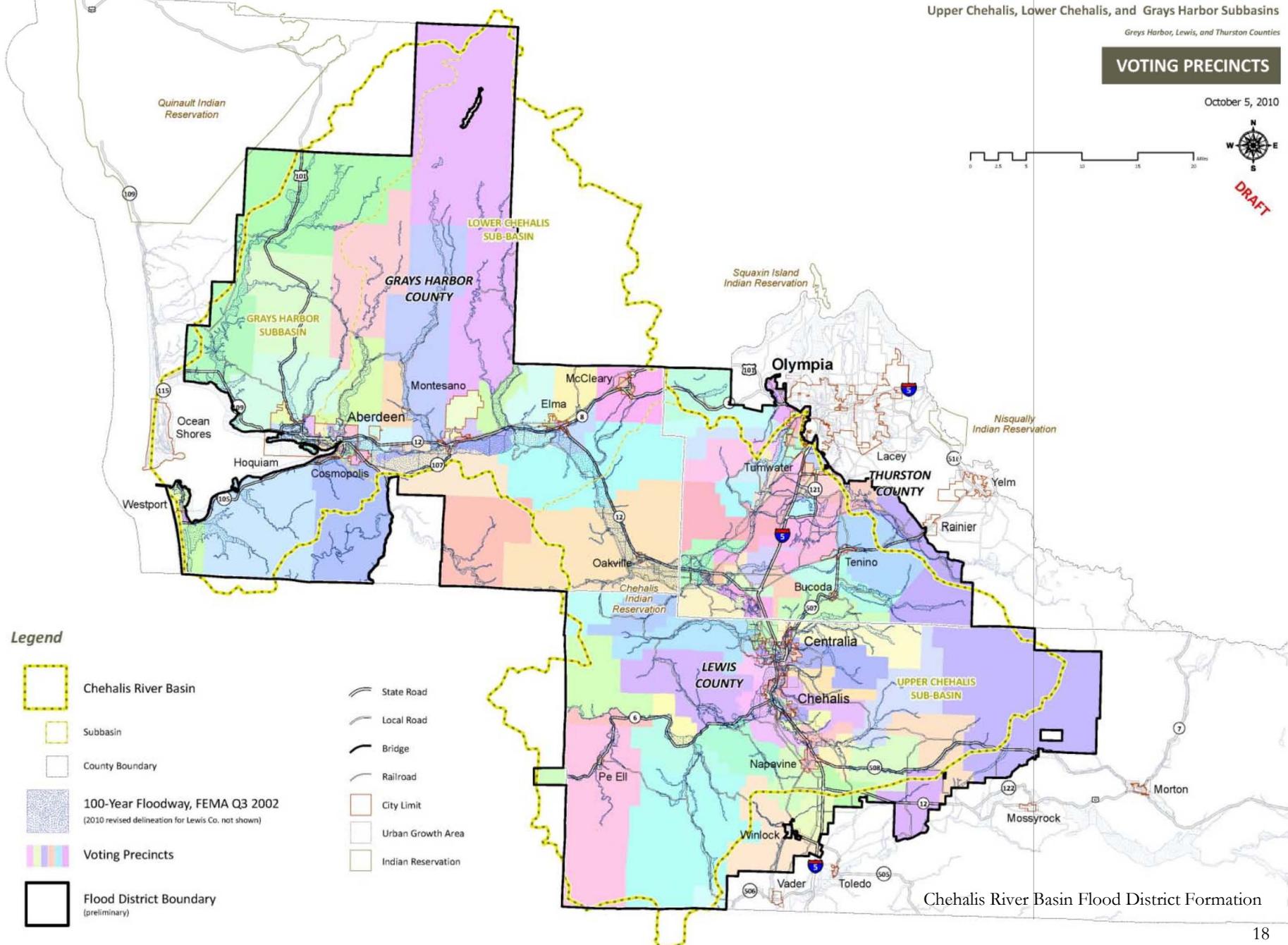
Greys Harbor, Lewis, and Thurston Counties

## VOTING PRECINCTS

October 5, 2010



**DRAFT**



### Legend

- Chehalis River Basin
- Subbasin
- County Boundary
- 100-Year Floodway, FEMA Q3 2002  
(2010 revised delineation for Lewis Co. not shown)
- Voting Precincts
- Flood District Boundary  
(preliminary)
- State Road
- Local Road
- Bridge
- Railroad
- City Limit
- Urban Growth Area
- Indian Reservation

Chehalis River Basin Flood District Formation

# Governance

- ▶ Initially will be the BoCC of each County
- ▶ Decisions made collectively based on an interlocal agreement among members (assumed to be Grays Harbor, Lewis, and Thurston counties/cities, and the Chehalis Tribe)
- ▶ After formation, decision-makers can be directly elected

# Benefits

- ▶ Provides additional ability to directly address longstanding flooding issues
- ▶ Provides ability to comprehensively address Chehalis Basin flooding which the individual jurisdictions cannot do alone
- ▶ Provides funding to match federal & state sources to do projects/ programs



# Public Meetings

- ▶ Public meetings will be held from 5:30 to 8:00 p.m. on:
  - ▶ Thursday, October 14 at Swede Hall in Rochester\*
  - ▶ Monday, October 18 at City Hall in Montesano\*
  - ▶ Thursday, October 28 at the Centralia Middle School in Centralia\*
- ▶ \*Presentation at 6 p.m. each night

# Other Ways to Stay Involved

- ▶ Attend Chehalis River Basin Flood Authority meetings
  - Held 3<sup>rd</sup> Thursday of each month – check Lewis County web site for details
- ▶ Check BoCC calendar for each County for public hearings and meetings regarding FCZD formation
- ▶ For more information and all Flood Authority documents, go to <http://lewiscountywa.gov/communitydevelopment/chehalis-river-basin-flood-authority>
- ▶ Email [info@chehalisriverbasin.org](mailto:info@chehalisriverbasin.org) with questions or comments

**Appendix C - Transcript of the Questions and Comments**

# **Chehalis River Basin Flood District Formation**

## **Public Meeting #2**

### **Montesano, WA**

### **October 18, 2010**

#### **Questions and Comments from the Public**

Q: If it's called a Flood Control Zone District (FCZD) then the Board of County Commissioners (BOCC) doesn't have to put it out to vote, if it's a Flood Authority (FA) then they have to go out for a vote. Is that correct?

A: I'll get into more detail about than in a little bit.

Q: The FCZD is independent of the county. There's no one to ride herd on them. They have an open checkbook to do whatever they want to. Right?

A: The FCZD is a quasi-governmental district. It's not like a utility – a department of the county government – it's separate from the county.

Q: Doesn't that mean that the people on this committee can raise out taxes without going to the commissioners?

A: We are working on issues of governance in the FA now that will ensure that representation will be fair. What the taxing authority will be right now – a FCZD is limited to \$.50 / thousand ceiling.

Q: So they can tax me without a vote. Why should I have to pay taxes when I won't be flooded? Every citizen will be taxed for this. What's the money for?

A: Flood control.

Q: You're not going to control this river. If you dam it you impact those upstream, only thing you can do is to dike the whole river. Take all the money they are paying you and buy the big box stores and get them out of the flood plain and get the flood plain back to what it was before.

Q: How much do you make in all this? Who are you? Centralia needs to quit building in the flood plain.

A: We are here tonight to get input from the people. Talking about taxes is getting the cart ahead of the horse a little. Right now, the Flood Authority is trying to set up a structure to fix some of these flooding problems, and we don't know what the projects are yet. We are trying to set up a structure without knowing what the projects are. There won't be rates or taxes until we know what the projects are and then you can talk to your representative.

Q: What about the 7 miles of dikes on the Chehalis – they haven't been built. Centralia is just as responsible as everyone else. We're going to pay to help Centralia and Chehalis keep I-5 open. If you push the river down here faster we're going to flood faster.

Comment: We have no say in whether this is going to be done. Let us have a vote in whether this zone district is even formed.

Comment: I challenge you to go to the people and tell them they will be taxed. No one is going to want it.

Q: What is the vote procedure that it could end up being done without it?

A: The first step is for each county form its own FCZD. That doesn't mean that they will be taxing anyone. Just that the entity is formed.

Q: The \$2.5 million - it's the second \$2.5 million – you've already spent the first \$2.5 million and went back for more.

A: That's not correct. I'm Bruce Makey –

Q: When this happened the Governor allocated \$50 million and said that \$2.5 went to you.

A: The \$2.5 million went towards forming the FA as well as things like LIDAR and early warning systems. In the legislative session it was a re-appropriation of the \$2.5 million to use the money to form an entity.

Q: It looks like it's an additional \$2.5 million.

Q: How much money has been paid out and who got it?

Q: The deadline of December – is that when we have to make a decision on this by?

A: No – it has to go through the BRB first and that will happen in March of 2011.

Q: When it's approved then the taxes would be controlled by a BOCC within Grays Harbor County?

A: Yes

Q: Where does it rank in the hierarchy of the taxing agencies?

A: Low.

Q: Below schools?

A: It's the bottom.

Q: Taxes/charges/assessments – we could be hit with all three of them. Is that correct?

A: The basic answer is yes, but it's extremely unlikely. Assessments can only be charged because of an increase in assessed value because of improvements. Rates can be used in a number of ways to recover costs. The board is representing you and would hear from you.

Q: 12 years ago I tried to get the town to collect fees for stormwater. That could still go on and municipality could charge for stormwater so they could be double charged. We could be conceivably hit with all 3 kinds of charges.

Q: Who oversees the FCZD?

A: The draft legislation is deliberately vague. They want the three counties to decide how it will be structured and how the district will be represented. It doesn't prescribe that 5 members will be from xyz.

Q: You are talking about a quazi governmental agency that spans three counties and representation is going to be across three counties. The counties are going to set up the districts. Based on assessed value? On individual person? Any county can put a large number of their people in the district then they have a large portion of the vote.

A: We are working with the FA right now on that so no one will be disproportionately represented.

Q: It's supposed to be formed by June 2011?

A: That's for Grays Harbor County only. That's step one, getting GH County to form the district. It's the multi-county FCZD that we're trying to not be too prescriptive in that. We're trying to talk about a fair way to govern that district.

Q: What happens if GH County doesn't?

A: We don't know. The other two counties could form the district.

Q: So the other two counties would have all those funds.

A: The counties would have to deal with their county only. Biggest advantage of the multi-county is that it's collaborative – collective buying power.

Q: There no question it has to be done holistically. I live in the Black Lake area – it floods every year. I’m wondering why I want to pay so the truckers can go through Centralia. Those costs should be picked up by the state or feds.

A: Some of it will be.

Q: I don’t think so since the Corps of Engineers is saying they don’t think it’s a good idea. I don’t think the feds will send money out here for that.

A: This is the tool to leverage that money.

Q: What’s the local match that GHC would have to match on a project?

A: We don’t know that one yet. As we’re working through the issues with the FA that’s one we’re working on. How will the costs be apportioned? The board will be able to talk those things through. Will it be majority vote or what?

Q: Suppose we form this thing and start figuring things out and the people decide we don’t like this thing. How would we get rid of this thing?

A: GH County has FCZDs in some areas as does Lewis County and they have done nothing. No taxes have been levied or anything. There wouldn’t be anything done until everything was solved to the publics satisfaction.

Comment: I’m Lee Napier. Those not wanting the multi-county solution, not wanting structural solutions, this could also be non-structural solutions. I’m hearing a lot of “out of county” talk but think about in county. This would be a way for you to inform your BOCC on what’s important to you. One example is the Satsop flood plain – we can’t afford the money to buy that land. This entity would be able to leverage that money.

Q: You said there’s a list of projects. We asked about that in Rochester – what’s it going to cost and is there a list of projects? I brought up the dams – One Voice will be there with PUD attorneys – if you approve the dam want to buy some property cheap? My property values will go down. What’s it going to cost?

Q: I went to the Satsop meetings – that land was bought and given to Fish & Wildlife – they are working to keep land on the other side from flooding – Terry Willis’ land. The Satsop goes up and Terry’s land is going to shift downstream more – the river is re-channelizing now and it is going back to its natural state – you start changing that and . . .

A: That’s just one example.

Q: I’m worried about the smaller cities down here Aberdeen, Hoquiam, – they are not affected by the Chehalis.

Q: Give me an example of a project that benefitted people outside the basin that we have to pay for.

A: In King County the Howard Hansen dam on the green river needs to be repaired. There is a King County FCZD, and the people in the Snohomish and Cedar River basin allowed their money to be allocated to help protect the people below the dam. The Mayor of Newcastle recognized that protecting the Kent valley was more important than keeping to a schedule of project that were less time critical.

Q: The people of Vancouver benefit from having I-5 functional – are they going to help pay?

A: Would you consider a contribution from the state as being from all people in the state?

Q: Many beneficiaries of keeping a major freeway functional live elsewhere. We are paying and others are benefiting.

A: The only way is if state and federal taxes are used. It may sound like we don't have a lot of answers right now, but that's because we're at the very beginning of this process. A lot more study and work will go into this. We'll have more answers next time. We want these questions so we can go get the answers.

Q: Ocean shores was left out of the district on this map. Why?

A: Are they in the basin?

Q: Yes – Ocean Shores should be in.

A: We'll make sure they are inside the boundary.

Q: Is it a watershed boundary or is it the main stem? The partnership looks at the watershed level. The FA looks at the main stem. We need to think about what the problem areas are?

A: We wanted to make sure we have everyone in.

A: We wanted to start larger and go smaller if we needed.

Q: That map would be great if the FEMA floodplain was overlaid on it.

A: It's actually on it – it's just hard to see.

Q: I live on the hill – I realize that when it floods I might not be able to go over the bridge. Why should I pay for Walmart in Chehalis that is built in the floodplain?

A: We're not telling anyone they should. There will be other economic benefits – businesses getting inventory – getting kids to schools – hospitals can't get patients.

Q: But I don't get to opt out of paying the taxes?

A: It depends. The decision to have an election hasn't been made yet. They haven't decided. Those are the things we're wanting to hear about from the people.

Q: Currently I don't have a voice into what happens in Centralia. I can't influence their elected officials. If we aren't participating in this project, that continues. If we participate then we have a say in what happens. As a FCZD we'll have a lot more leverage to do projects that will benefit all of us – beyond just dikes that will just put more pressure downstream.

Q: The map – voting boundaries – can that be adjusted to be county boundaries within the basin?

A: Yes – we showed it by voting precinct in case it went out to a vote.

Q: On the east, the boundary goes way beyond the watershed boundary.

Q: The area south of Olympia – doesn't flow into Chehalis.

A: We're trying to get flow maps.

Q: We just formed a hospital district in North Beach – it cuts through precincts – if you divide a precinct the whole precinct is out – we used the school district map and ended up with a hospital that only served Ocean City because all the others were eliminated because we cut through them. You have to be careful. You almost need overlays to show all the boundaries you've got on there.

Q: The FCZD – if the FCZD doesn't get formed then it goes back to county level? Controlled by the BOCC?

A: It could be the BOCC or another separate entity.

Q: You keep referring to it as a FCZD – that's the one that the commissioners don't have to take it out to the public to vote. If you put the word zone in it they don't have to put it out to a vote. I think that the

commissioners already have the board chosen and they are members of One Voice. I don't think it should be a zone district – we should have a vote on this. There's a lot of money floating around here – I'm not saying anyone's corrupt yet – but the citizens should have an opportunity to vote on this. The commissioners are against letting us vote. The people in One Voice are in place right now. As far as I know the commissioners haven't chosen that it's a zone district yet so don't call it that.

A: The FA is discussing -

Q: We need the project list – I want to know what I'm going to buy. Lee referred to a list that the flood authority already has. Publicize that list. Let us see what it's going to cost.

Comment: Thurston County has a choice in signing the agreement. The BOCC can sign an interlocal agreement using their stormwater district – they have a choice between forming the FCZD or not – they can sign the agreement with the stormwater utility.

Q: This says counties, tribes, and “may” include the cities – I wouldn't try to do this unless it says “MUST” include the cities. That can't say “may” – change that to MUST.

A: We, the consultants, can't change this text – that's the FA's text.

Q: In the formation of a FCZD the municipalities don't have the option of opting out – they are in the district. The decision on governance is separate from that – you could have representations from cities – may or may not include cities. Correct?

A: Yes, correct.

Q: The taxing authority, is that formed by this committee or is it put to a vote of the people?

A: That's up to the FA.

Q: Is the taxing limited to property tax?

A: Yes - just property tax.

Q: I missed this – something about the taxing authority goes back to the individual FCZD – right?

A: yes

(this was about the new legislation)

Comment: If a county doesn't want to be a part of it they don't have to be a part of it.

Q: As a County Commissioner I don't think that by December I'll have enough information to decide if I want to sign this letter of intent. You need to hear from the people in the flats in Hoquiam who are ok so long as the pumps keep working. When I start talking about taxes for flood control people are going to say for what? I'm not flooded. It's a hard sell to tell people the boogie man is coming and this is what's going to happen.

Comment: Aberdeen & Hoquiam dodged a bullet on the last one. The tides and wind causes Aberdeen and Hoquiam to flood. If south Aberdeen hadn't raised the dikes 20 years ago Cosmopolis would have flooded.

Comment: We need to have more discussion. Who set the June 2011 deadline? Why?

A: State money says that's the deadline.

Q: Give us another year to sell this so we can get out to the people.

A: There's a deadline cycle for forming one of these – if it's not formed by August 1 you have to wait until the next year.

Q: Same thing applies here as it did in Rochester. How many people here are not connected to the government? 10 citizens turned out for a meeting this important? Need to a better job getting the word out. You're going to have to tell people they are going to have to pay for this even though it doesn't affect them.

Q: We're talking about mixing up a lot of segments. If the county's should work together? How are they going to pay for it? What to charge in the taxes? Then the projects – what and where? Who's going to be on the board? What about the tribes – couldn't the Quinalt's nix t his whole thing? As far as the county's working together – that's good. The Chehalis River Basin' Partnership's strength is getting everyone to work together. They are looking at it holistically. In 2006 the Quinalt's sent a letter to the partnerships saying don't do anything to the river. If you do we're going to sue you.

Comment: I'm Edna Fund, Centralia City Council, I appreciate everyone coming out. I hope you will all come to Centralia. Regarding the levy project, the corps has been showing their maps, the levys we have right now are too low. If the 2007 flood happened again it would go over them. The Skookumchuck – the maps were built with the assumption – the price tag was \$10 million and now it's up to \$50 million.

Q: So FEMA'S newest maps have more flood zones than the older maps?

A: This process is a different thing.

Comment (Edna): Whatever they do in the Twin Cities, mitigation has to happen here.

Comment: If they do projects up stream and it affects us here who pays for it?

A: For the Corps project – by law the project can't have adverse affects up or down stream. They have to mitigate. Land use decisions made by the county that's different.

Comment: If the Corps can't impact anyone else then they aren't going to do anything.

A: Any modifications to the Skookumchuck Dam is modification to the levees.

Q: Are they going to add storage?

A: No – they are going to put infrastructure into the dam so they can release water when a storm comes.

Q: Seems like common sense to release water when a big rain comes.

A: If there hadn't been capacity behind the dam – the prediction was much higher than the actual rainfall – it would have flooded.

Comment: The Wynoochie Dam was controlled by power company – when the dam was full they released a lot of water and a wall of water came downstream.

Comment: When the Corps comes back out with their 35% completed design, we'll know more about the dam, costs, analysis, and we can start asking the Corps questions.

Q: Can this group regulate land use inside the flood zone of the Chehalis river? Can they regulate what's outside the flood zone.

A: They will no land use authority.

Q: So they can't stop them from filling up the flood zone?

Q: They can put it in the interlocal agreement. What's the cost of moving the stores to higher ground – dig it out and move it uphill?

A: That's the benefit of the FCZD – Grays Harbor County can be at the table with Lewis and Thurston County.

Q: You need to get more public awareness on what is going on. I stopped in Oakville and they didn't know about this meeting. You need get the word out further.

Q: The Commissioner needs to take a full page add in the daily world and tell the people what this is about.



**Chehalis River Basin Flood Authority  
Flood District Formation  
Lewis County Public Meeting  
Centralia Middle School, Centralia  
October 28, 2010**

**Draft Meeting Summary Report  
November 9, 2010**

**Prepared by:  
Norton-Arnold & Company**

## Introduction

The Chehalis River Basin Flood Authority is holding three public meetings – one each in Grays Harbor, Lewis, and Thurston Counties – to provide information about and receive public input on the potential formation of a flood district to address flooding problems in the Chehalis River Basin, which includes parts of the three counties. All meetings are being held from 5:30 to 8:00 p.m. and consist of an open house from 5:30 to 6 p.m., a presentation from 6:00 to 6:30 p.m., and a public comment period from 6:30 to 8 p.m. Meeting dates, locations, and times are:

- Thursday, October 14 at Swede Hall (18543 Albany Street SW) in Rochester
- Monday, October 18 at City Hall (112 N. Main Street) in Montesano
- Thursday, October 28 at the Centralia Middle School (901 Johnson Road) in Centralia

This report summarizes the results of the Lewis County meeting. Approximately 45 people attended the meeting. The Flood Authority was represented by the following members: Edna Fund, Centralia City Council; Julie Balmelli-Powe, City of Chehalis Flood Authority representative; Ron Averill, Lewis County Commissioner; Karen Valenzuela, Thurston County Commissioner; Terry Willis, Grays Harbor County Commissioner and Chair of the Flood Authority; and Mark White, Chehalis Tribe. Other elected officials in attendance included: Harlan Thompson, Mayor of Centralia; Bonnie Canady, Centralia City Council; and Bill Schulte, Lewis County Commissioner. The meeting was staffed by consultants from the consultant team hired by the Flood Authority to assist with district formation, and included: Pam Bissonnette and John Ghilarducci, from the FCS Group; and Chris Hoffman and Fala Frazier from Norton-Arnold & Company. Bruce Mackey, Flood Authority staff, and Mark Swartout, Thurston County Natural Resources Program Manager, also attended the meeting.

## Presentation

After a welcoming introduction by Harlan Thompson, Chris Hoffman began the presentation by giving a brief introduction of Flood Authority members and consultant staff. He indicated that the flood district formation process is about creating a new organization to address flooding problems in a comprehensive and cooperative manner on a multi-county basis. He also said that it was important for the Flood Authority to hear from the public on the proposed district, and welcomed participants to fill out comment forms, which were provided at the sign-in table. A copy of the comment form is provided in Appendix A of this report. Chris then turned over the presentation to Pam and John who spent approximately a half an hour covering a range of topics, including:

- Flooding issues
- Actions being undertaken by the Flood Authority
- The district formation process and options for district types
- The role of a flood district
- A description of developing district boundaries and governance structure
- The benefits of forming a flood district

- Ways to stay involved in the formation process

A copy of the presentation is provided in Appendix B of this report.

## Question and Comment Period

After the presentation Chris opened up the floor for questions and comments from meeting participants. A complete transcript of the questions and comments, as well as the responses to them, is provided in Appendix C of this report. In summary, the questions and comments followed a number of common themes including:

**Public Vote.** Many participants felt that there should be a public vote on flood district formation, specifically because the district will have taxing authority. They were also concerned that cities and towns would not have representation on the flood district.

**Flood reduction project costs.** Participants said they wanted to know more about the projects before a district was formed and what they cost before they are asked to help pay for them. Questions were asked about moving people out of the flood plain instead of building infrastructure.

**Concern about infrastructure projects.** Participants were concerned about the cost and environmental impacts of large scale infrastructure projects. The cost of these projects would be extremely high and would place a large burden on those who have to pay for them. Participants wanted to know more about potential non-structural solutions.

**Flood reduction project benefits.** In general, participants said that they don't want to pay to address problems if they are not contributing to them. They also said that the state, and those that drive on I-5 through Lewis County, should help pay for projects since those outside Lewis County benefit from I-5 remaining open.

**Types of project revenue levies.** Participants asked a number of questions about how money could be raised to pay for flood reduction projects, whether the District could use a combination of taxes, rates and levies to raise money. They were concerned that the District would try to raise the maximum amount possible through these methods. They were concerned about fairness and whether those that helped cause problems, or who would benefit the most, would pay a larger share. There was a general belief that flood problems are caused by "others" or the flood problems could be "lived with".

**Land use concerns.** Participants expressed doubt that the flooding problems could really be fixed; that it would be necessary to remove all buildings from the floodplain. They don't want to pay to fix problems caused by questionable land use decisions.

**Flood district boundaries.** Participants had a number of questions about the flood district boundary—how it was developed and how it will be approved. Participants were generally concerned that those within the boundary should benefit from flood reduction projects and programs.

## **Appendices**

Appendix A - Comment Form

Appendix B – Meeting Presentation

Appendix C - Transcript of the Questions and Comments

**Appendix A - Comment Form**



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Chehalis River Basin Flood Authority  
c/o Norton-Arnold & Company  
1932 First Avenue, Suite 802  
Seattle, WA 98101

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# Appendix B – Meeting Presentation

CHEHALIS  
RIVER BASIN  
FLOOD AUTHORITY

# Chehalis River Basin Flood Entity Formation Public Meeting

Centralia Middle School, Centralia – October 28, 2010

# Meeting Goals

- ▶ Present information and answer questions on forming a multi-county flood district in the Chehalis River Basin
- ▶ Outline formation process and schedule
- ▶ Discuss next steps
- ▶ Receive your input on formation process

# The Issues

- ▶ Repeated major flooding in the Chehalis Basin including Lewis, Thurston and Grays Harbor Counties
- ▶ Multiple federally declared disasters
- ▶ Millions of dollars of damages
- ▶ Disruption of lives and commerce
- ▶ Closures of I-5 and State highways
- ▶ No single county can solve this problem alone

# Lewis County Flood Damages

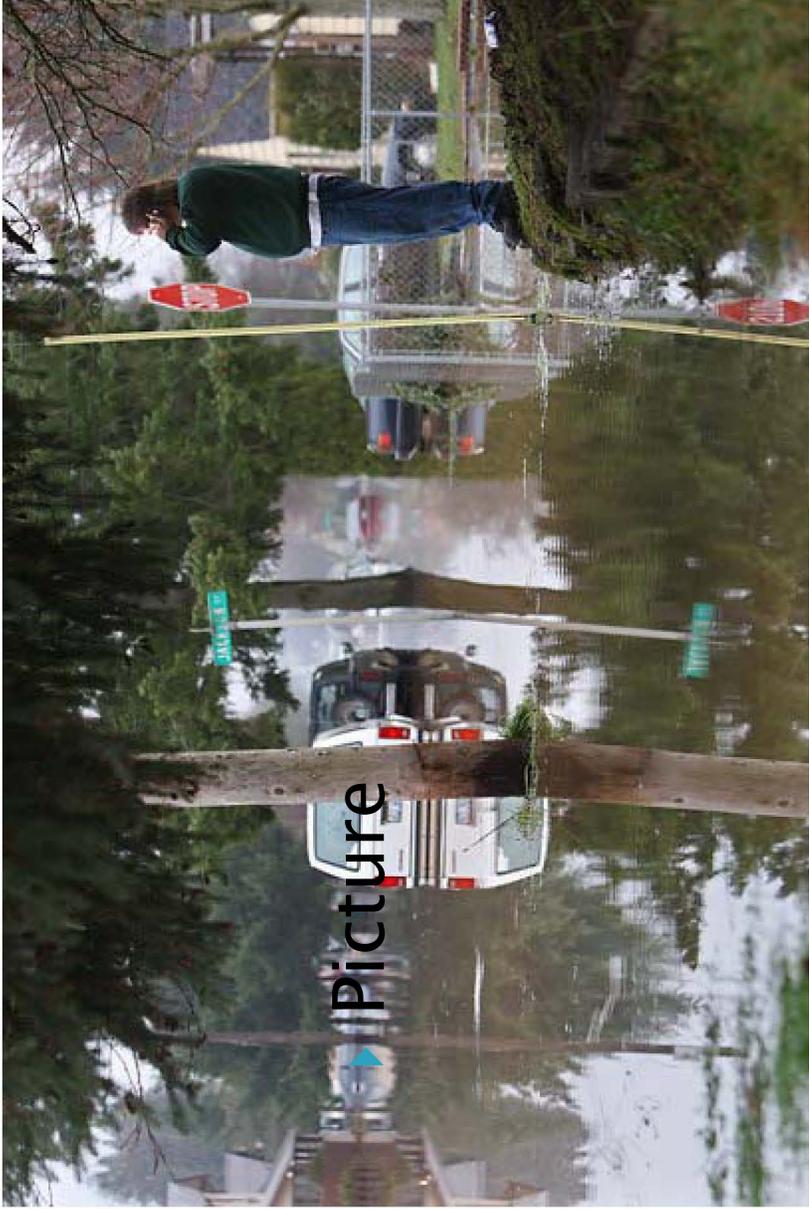
- ▶ 16 federally declared disasters in past 30 years

## 1978 - 2009

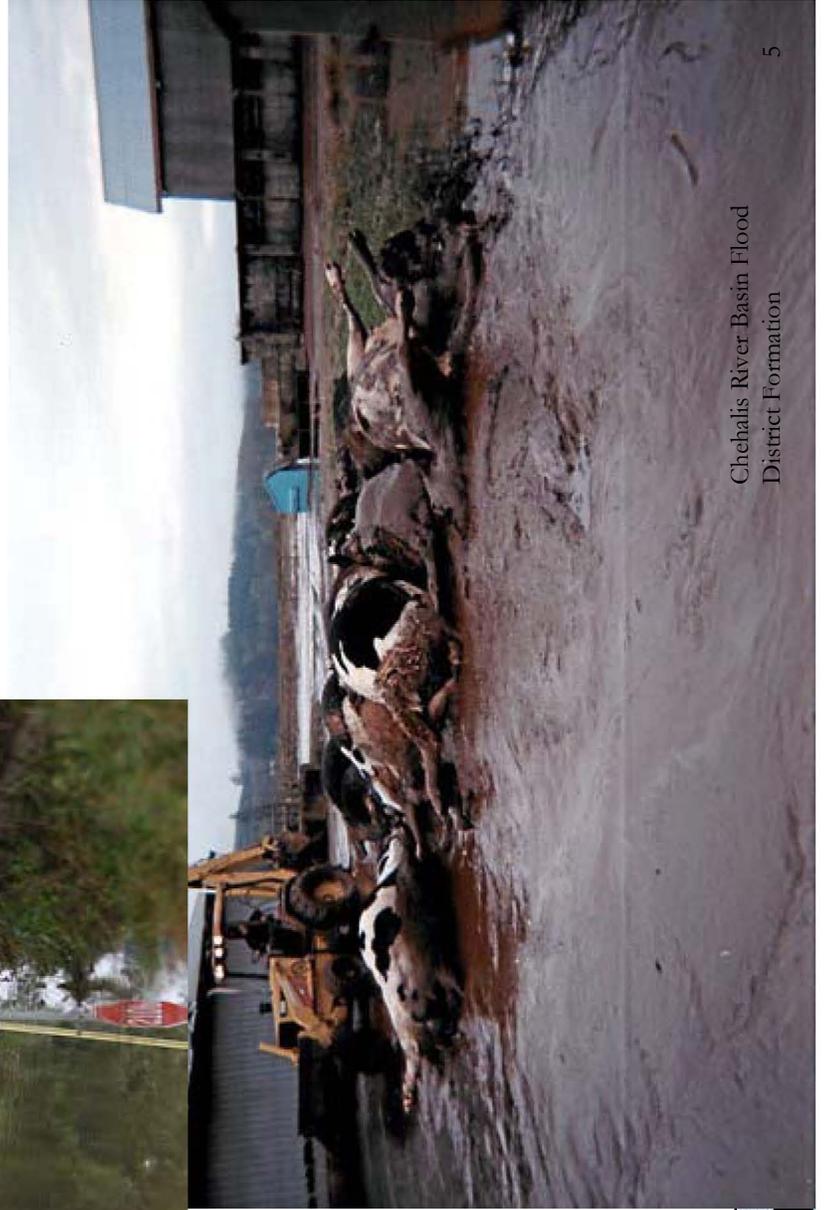
- ▶ Over \$75 million in FEMA payments for flood damage

## 2007 December Flooding

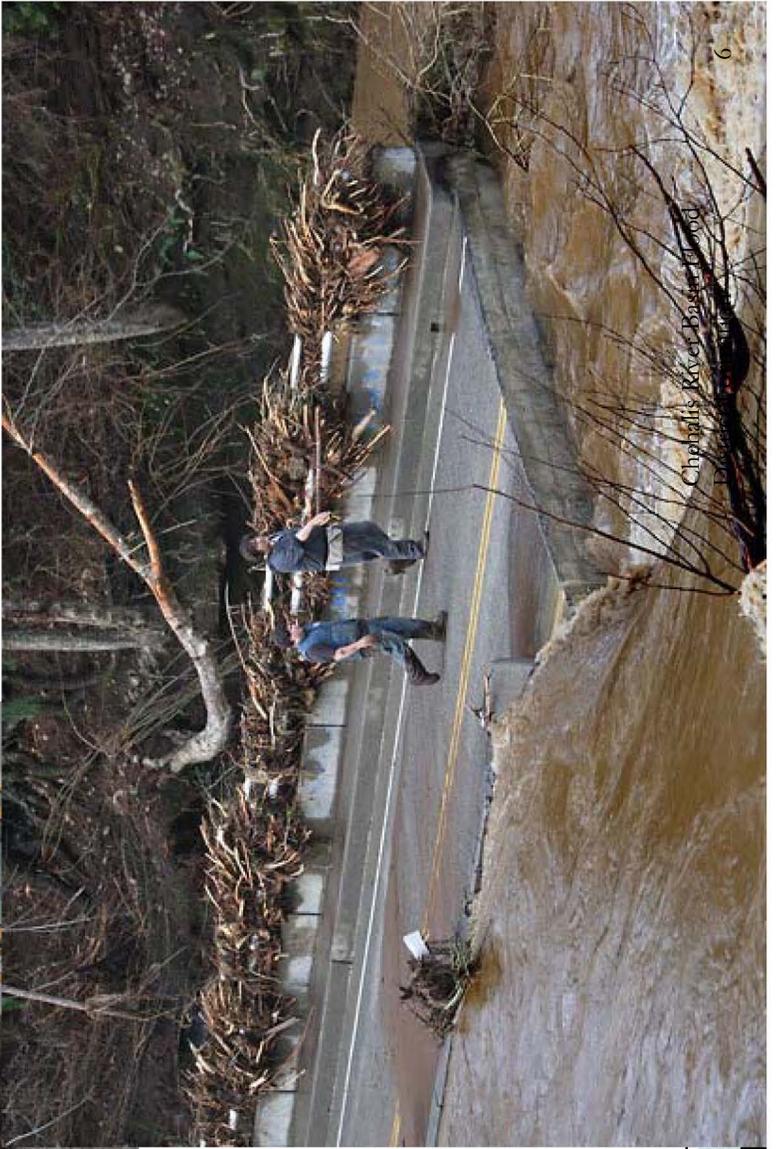
- ▶ \$165 million in total damages
- ▶ \$44 million in damages - public infrastructure
- ▶ \$69 million in damages - private property
- ▶ \$52 million on damages - business losses
- ▶ 1,262 homes destroyed or damaged
- ▶ 20 mile section of I-5 closed for 4 days



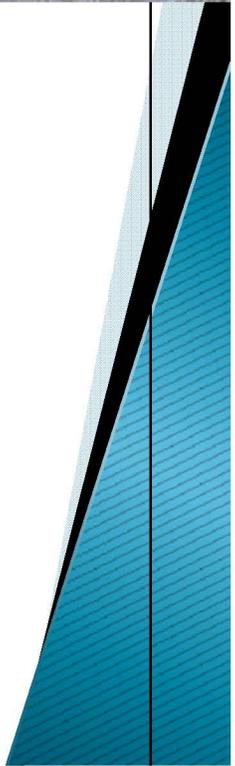
Picture



Chehalis River Basin Flood  
District Formation



Chubb's Key & Partners  
Professional Services





picture



Chehalis River Basin Flood District Formation

# Actions to Date

- ▶ The Flood Authority formed as a temporary entity by Interlocal Agreement among 11 jurisdictions in 2008 to address flood issues throughout the basin
- ▶ Held public meetings in February 2009 and April 2010
- ▶ Conducted a basin-wide survey on flood mitigation in March 2009





# Flood Authority Project List

- ▶ “Start list” of structural and non-structural projects in the basin – part of a package of solutions to reduce flood damage
- ▶ Compiled from existing flood plans, member jurisdictions, and input from the public
- ▶ Projects are not adequately defined or developed to move forward. The Authority and local governments don’t have funding to develop projects or conduct an alternatives analysis
- ▶ A Flood District could develop the projects on the list and determine costs and impacts, then prioritize and implement the best projects.

## List: Non-Structural Mitigation Measures

- ▶ **Public Information:** Education materials – flood proofing guidance
- ▶ **Regulation:** Improve floodplain regulations, develop conservation easement programs
- ▶ **Planning and data collection:** Improve hydraulic modeling, study woody debris and stream gravels
- ▶ **Reduce damage to existing structures:** Develop home evaluation and buyout programs
- ▶ **Emergency response and preparedness:** Develop early warning systems
- ▶ **Natural resources protection projects:** Protect and restore riparian areas

# List: Structural Measures

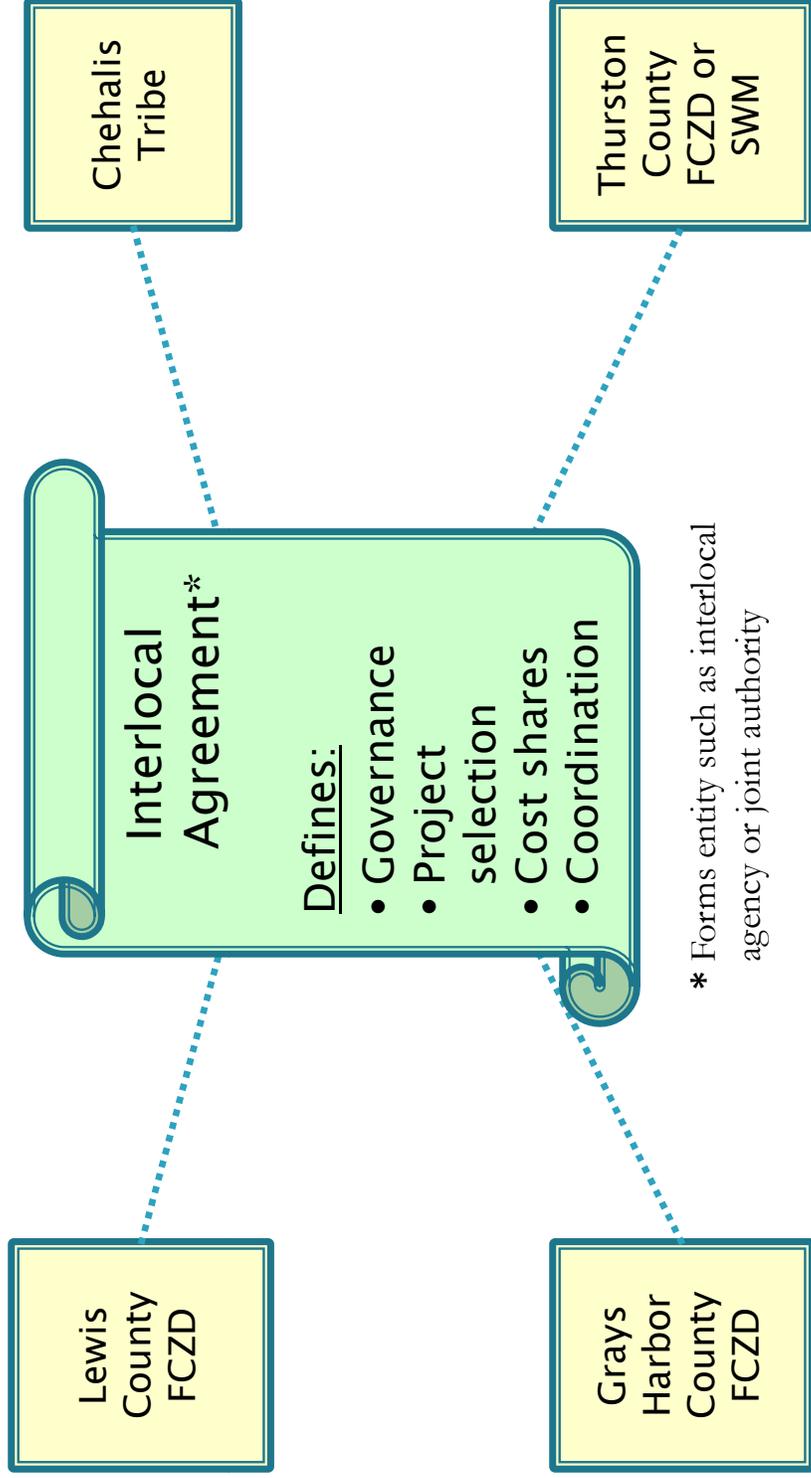
- ▶ Floodplain protection
  - Culvert improvements, tributary drainage improvements
- ▶ Bank protection
  - Bank stabilization and protection
- ▶ Conveyance capacity
  - Open channel migration zone



# Recent Actions to Date

- ▶ State legislation appropriated \$1.2 million to the Flood Authority to initiate the formation of a basin-wide flood district by June 2011
- ▶ The FA provisionally directed that a multi-county partnership be formed by interlocal agreement by that deadline

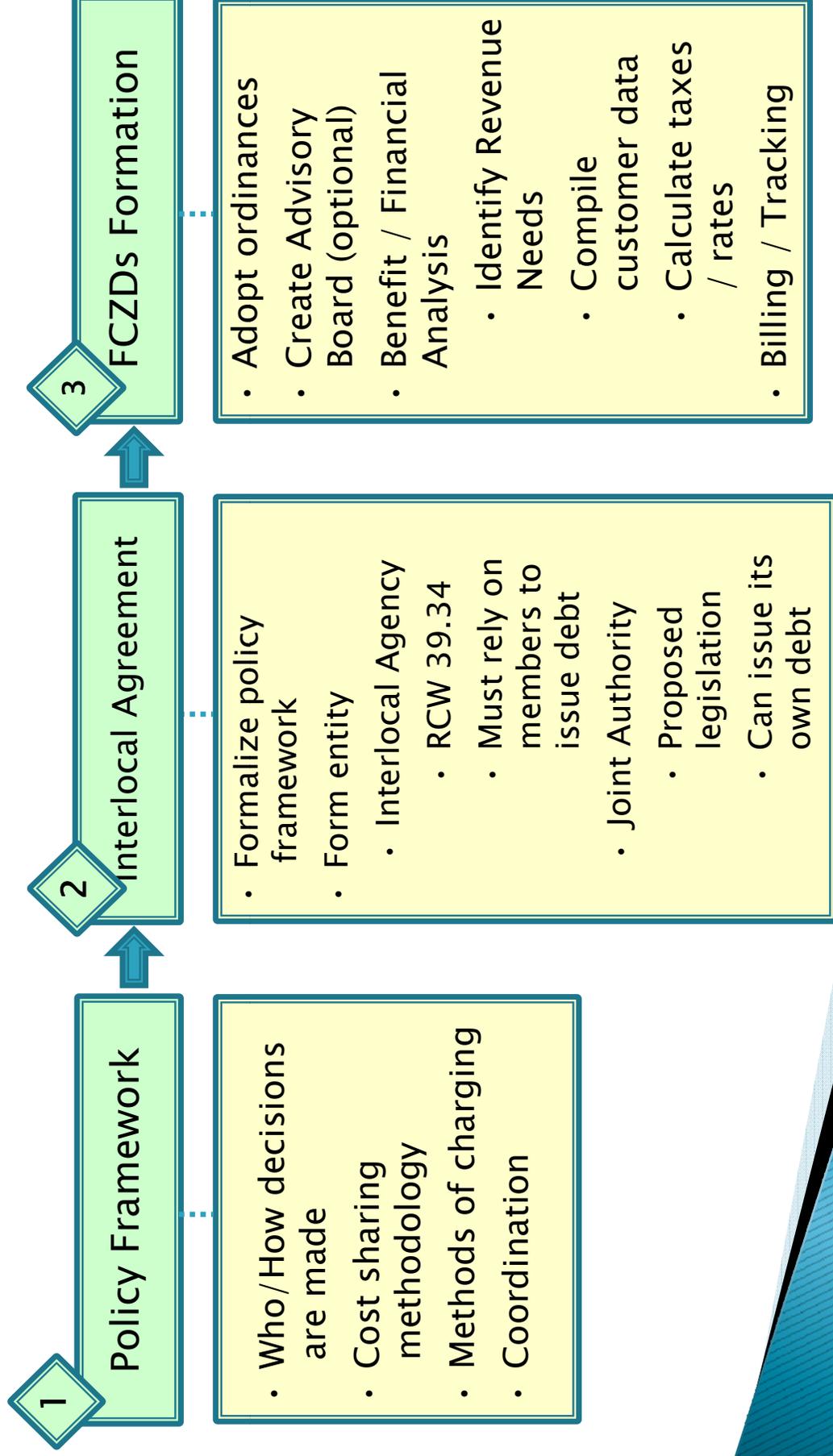
# Multi-County Partnership



# What is a Flood Control Zone District (FCZD)?

- ▶ **Broad Authorization**
  - Decides on flood projects, both structural & non-structural
  - Provides funding through property taxes, charges and/or assessments for flood projects & for matching money for State/Federal flood funding
- ▶ **Formation by BOCC vote**
  - BOCC serves as Board of Supervisors; can be later replaced by separately elected board
  - County staff administers
- ▶ **Advisory Committees**
  - Could be composed of city and other representatives and stakeholders

# Project Process

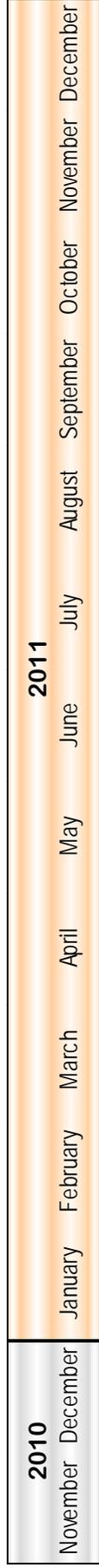


# Formation Process: Next Steps

County Commissioners  
notify of *intent*  
to form new FCZD  
& set boundaries,  
& dissolve existing  
FCZD(s)

Negotiate interlocal  
agreement defining  
relationship among  
Counties and the  
Chehalis Tribe

Determine  
taxes/charges/  
assessments as means to  
raise revenues



Hold public meetings  
on boundaries and  
taxes/charges/  
assessments

Boundary Review  
Board (BRB)  
decision

Establish FCZDs  
following  
BRB process

# Economic Analysis

- ▶ The FA has commissioned an economic analysis
- ▶ The economic impacts of flood damage, disruption to lives and commerce, and flood insurance costs will be documented
- ▶ Analysis will underscore importance of reducing flood impacts within the Chehalis River Basin to the economies of the region and state



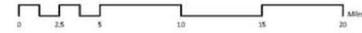
# CHEHALIS RIVER BASIN FLOOD DISTRICT FORMATION PROCESS

Upper Chehalis, Lower Chehalis, and Grays Harbor Subbasins

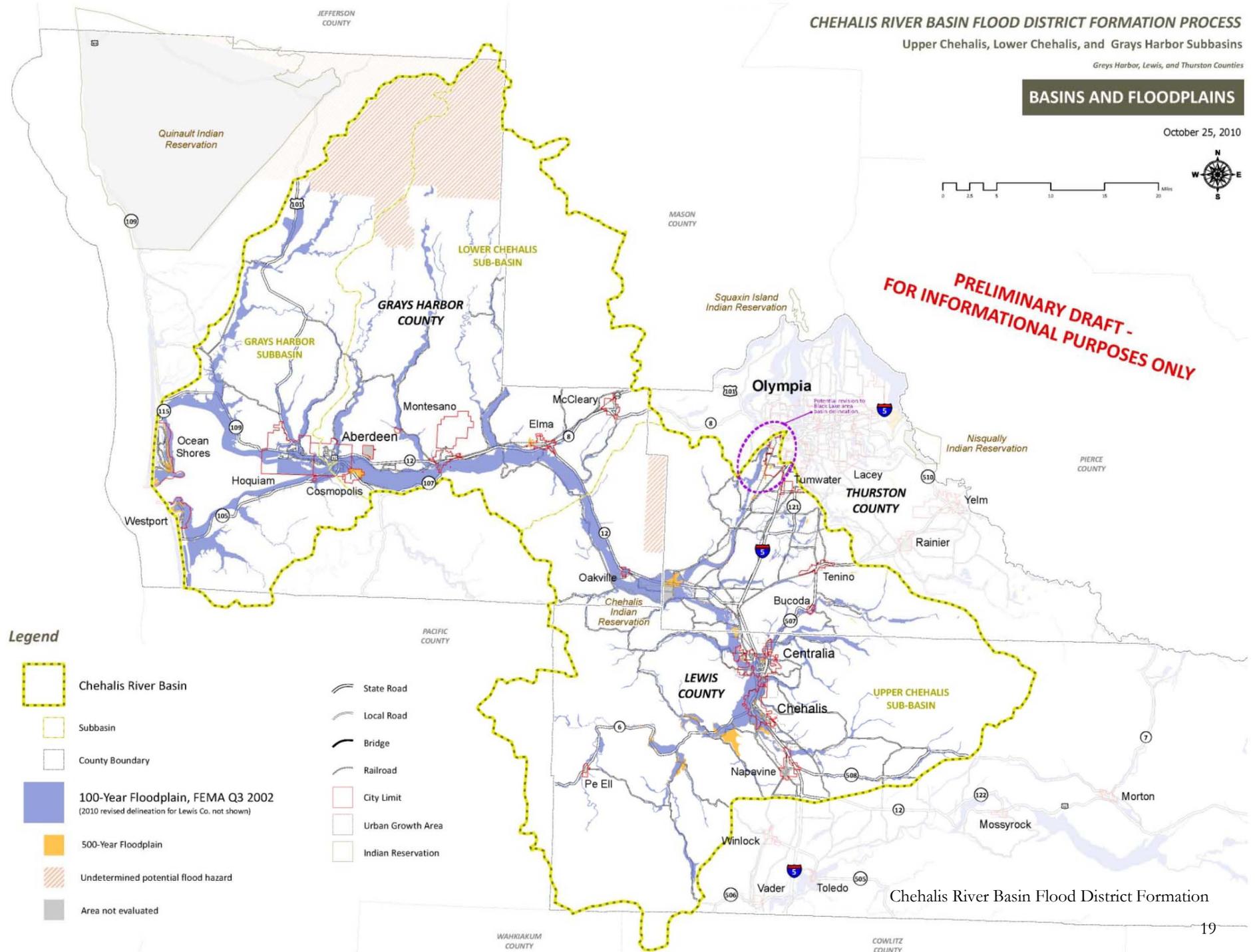
Greys Harbor, Lewis, and Thurston Counties

## BASINS AND FLOODPLAINS

October 25, 2010



**PRELIMINARY DRAFT -  
FOR INFORMATIONAL PURPOSES ONLY**



### Legend

- Chehalis River Basin
- Subbasin
- County Boundary
- 100-Year Floodplain, FEMA Q3 2002  
(2010 revised delineation for Lewis Co. not shown)
- 500-Year Floodplain
- Undetermined potential flood hazard
- Area not evaluated
- State Road
- Local Road
- Bridge
- Railroad
- City Limit
- Urban Growth Area
- Indian Reservation

Chehalis River Basin Flood District Formation

# Governance

- ▶ Initially will be the BoCC of each County
- ▶ Decisions made collectively based on an interlocal agreement among members (assumed to be Grays Harbor, Lewis, and Thurston counties/cities, and the Chehalis Tribe)
- ▶ After formation, decision-makers can be directly elected

# Benefits

- ▶ Provides ability to comprehensively address Chehalis Basin flooding:
  - which the individual jurisdictions cannot do alone *and*
  - Ensures coordination: problems are solved rather than pushed up/down stream



# Options for the Future

- ▶ Multi-County partnership could continue based on the terms of the interlocal agreement
- or*
- ▶ Multi-County partnership could be replaced by an independently governed multi-county flood control zone district
  - Legislation currently being drafted to allow for this option

# Public Meetings

- ▶ Public meetings will be held from 5:30 to 8:00 p.m. on:
  - ▶ Thursday, October 14 at Swede Hall in Rochester\*
  - ▶ Monday, October 18 at City Hall in Montesano\*
  - ▶ Thursday, October 28 at the Centralia Middle School in Centralia\*
- ▶ \*Presentation at 6 p.m. each night

# Other Ways to Stay Involved

- ▶ Attend Chehalis River Basin Flood Authority meetings
  - Held 3<sup>rd</sup> Thursday of each month – check Lewis County web site for details
- ▶ Check BoCC calendar for each County for public hearings and meetings regarding FCZD formation
- ▶ For more information and all Flood Authority documents, go to <http://lewiscountywa.gov/communitydevelopment/chehalis-river-basin-flood-authority>
- ▶ Email [info@chehalisriverbasin.org](mailto:info@chehalisriverbasin.org) with questions or comments

**Appendix C - Transcript of the Questions and Comments**

# **Chehalis River Basin Flood District Formation**

## **Public Meeting #3**

### **Centralia, WA**

### **October 28, 2010**

#### **Questions and Comments from the Public**

Q: If the water that we divert becomes a problem and hurts a neighbor, how do we fix that? Bring them into the coalition?

A: If we plan together the whole point is to not create a problem. If there are impacts they have to be fixed. If it goes through SEPA they have to be mitigated. We want to not create more problems in the first place. Some of the non-structural solutions are to get the river back to its natural state.

Q: I've been to all three of these meetings. They've changed all their handouts. I was so surprised to hear that Lewis County has a Flood Control Zone District (FCZD). Is that correct? All this stuff you're talking about the County Commissioners can/will/could have someplace already done that – created a FCZD – is that correct?

A: Yes – Lewis County has a FCZD.

Comment: So all you have to do is decide what taxes you want to charge – that's already been done. You should explain that it's already been done in Lewis County so we can talk to our elected officials to let them know what we think about this. We need to talk about the disruption of lives. We all live where we choose to live. If you live by the river that's your choice. I live on a hill – that's my choice. Why should I be taxed to pay for these flood problems that will come down the pike. What law/authority does this group have to tax me for something I'm not involved with?

Q: When was this FCZD formed? I was at a meeting at the courthouse where you were discussing between the FCZD and Flood District (FD) – the FD would have to put projects out to be voted on. The FCZD was where you just assessed a tax. When was this formed?

A: The FCZD formed in 1997. We were looking at a doing a better job – the FCZD would do that. This is only for Lewis County. Now we're looking at the problem for the entire district.

Q: I'd like to see the minutes from that meeting brought in front of the public. You discussed the difference between FCZD and FD – the major difference was that you as commissioners can assess a tax without a vote of the people. I don't care about the other two counties. If that was formed I'd like to see the notes from that meeting. About what the difference is. At that time I understood it but I need to see the difference between the FD and the FCZD.

A: The minutes are available.

Comment: It's even worse than you think. The FCZD was formed in 70's and forgotten and reformed in 1997 and forgotten. When we went to form it there were already two on the books. We had to dissolve one and may have to dissolve the other. We're here recreating the wheel once again.

Q: What is the difference between FCZD and Flood Control District (FCD).

A: A FCD is different in that it can only assess property. It requires a complete list of projects – all costed out and designed – then it goes to local improvement district process. That’s how things are paid for. A district is formed by a vote of the people. They vote on creation of the district, on the officials that run the district, and then the district goes through this list of projects and approves them and then costs them out.

A FCZD has different properties. A broader type of government that doesn’t have to be voted on by the people. It can be put out for a vote but it’s not required by state law. It can assess properties like a flood district, and can also levy rates. It has up to .50 / thousand of property value taxing authority.

Q: Who puts the reign on how much you can assess? I know that .50 is the maximum – I know we’re at the bottom. What kinds of taxes push this one to the bottom?

A: libraries, schools, fire, hospital – only one below it is parks.

Q: I was told that Lewis County had the ability to tax the .50 per thousand on property.

A: They have the authority if the capacity is there. They may have authority but the capacity has to be there within the 5.90. Under the state law there’s a limit of 5.90 per thousand that anyone can be taxed on property value. If 5.00 is all that’s been taxed then there’s .90 left – but in my county 5.80 is already taxed so only .10 is available.

Q: If you have a \$200,000 house that would be \$100? Right?

A: Yes

Q: In Thurston County we were reminded that water flows downhill. I grew up in a house that was built in the 1800’s. Over the years as asphalt got build the road got higher than the house. Every time there was a big event, water started to run into the basement. We had to have a sump pump and sand bag the front door. My dad told me don’t ever build your house in a hole. I didn’t build my house in a hole. I heard the consultant answer a question about mitigation – there would be no activity that would cause mitigation if we put it downstream. Why would we make the same mistakes? We know water runs downhill. Look at the maps and look where river floods and you don’t build there anymore. From what I can see, we’re still doing that. Water flows downhill, and the only part of Thurston County that’s uphill is the Skookumchuck. I guess I’d like to see – there’s no reason why we can’t stop building in the flood plain now without the FCZD – we can stop building in the flood plain now and start moving people out without forming the district and charging people \$100 or whatever. It just makes sense – don’t keep making the same mistakes over and over.

A: The flood hazard mitigation plan recognizes that. Not all projects in there are structural. There are a number of them in the plan. It’s difficult when development happened long ago and those regulations weren’t in place and yet people’s properties and lives now are experiencing that. I want to underscore that the structural solutions aren’t the only ones in the plan. Giving the river back it’s breathing space in the flood plain is also part of that.

Q: The material I read described ripe and ready projects – those were structural – they were dams and dikes. If you’re looking to tax – you already have a flood district in Lewis County – you’re looking to bring

in Thurston and Grays Harbor Counties, you're looking to acquire money to do projects that cost a lot of money. That's what I see.

A: You can go to the Lewis County website and look at the Flood Hazard plan – chapter 9 - it talks about the projects under way /under analysis – Twin Cities and proposed upper river storage projects. The ripe and ready studies were studies that the FA undertook to look at - Modeling, lidar, money for early-warning system – the other projects – 81 listed projects that are suggestions from people – they are not listed. They aren't major projects – they are not getting federal funding. They are smaller projects people said would really start helping the problem. When we looked at the projects, there is no way to do further analysis to see how much they would cost or what their benefit might be. We couldn't even analyze which would be best across the whole basin and have no way to fund them. If the FCZD is formed there would be a possibility of having money for them. We would qualify for federal funding.

Q: I grew up on the Chehalis River. Swam it in flood stages to retrieve birds I shot. That was at flood stage. As I understand it the Chronicle and their cronies the BOCC and puppet One Voice want to keep clear cutting, developing the flood plain and want to tax us to keep doing it – is that right?

A: That's a matter of opinion – flooding is happening in the Chehalis basin. The question for everyone living in the basin is do you want to keep living with flooding or is it worth trying to mitigate the flooding.

Comment: Instead of all this monkey business – best and quickest thing to do is get grants to buy out or raise their homes. This isn't going to be an overnight solution – Lewis County is going to continue filling in flood plains and cut the hillsides – install an early warning system and get the government grants – then let Lewis County destroy it if they want to.

Q: We have a .50 maximum tax on the county - I'm reading that the FCZD can be funded by property tax/charges and/or assessments. They can do all three. How much are you going to assess me? This "and/or" statement sounds like you can do all three.

A: It's true the FCZD would have all three of those options available. I don't know any district in the state that uses all three.

A: There are limitations. Assessments can only be charged up to the increase to your property value due to whatever capital improvement is made. That is rarely used for flood control or stormwater improvements. It's difficult to show. Taxes of .50/1000 can only be exceeded by public vote. Rates can be imposed but there is language in the statutes that you have to be contributing to problem/benefitting from the solution to be charged a rate. There has to be a linkage to services provided and rates charged. It is possible that all 3 could be layered, but likelihood is small. We have to say and/or because that's what the law allows. But the Flood Authority will decide which tool is the best fit.

Q: I'm not saying this happens, but what if you get the taxes and do some of these projects and it turns out the flooding still happens? What if they don't "work," which is possible with global warming and all that. What if the flooding continues and gets worse? Some of the things happening along the basin - clear cutting – might cause the flooding to continue.

A: The idea of coordination and getting the counties and tribes to work together to identify solutions that will address the problems. That's the whole benefit with coordination and agreeing on solutions. The benefit of coordination and collaboration is if it doesn't work then everyone has a voice. Hopefully with the collaboration the solutions will work.

A: On the Green River in King County, in 2006 UW ran hydraulic models and on all the rivers and we saw what was happening. If there were breaches in the levees it would take out the Kent Valley – which is the largest distribution center in three states. We did the modeling and it showed the levees would be breached, so in 2007 King County formed their FCZD to repair levees to make sure they were ready for whatever came – higher and more frequent flows. Most are earthen levees. The types and frequencies of the flows weaken them. When Howard Hansen became crippled, the FCZD had money set aside for the levees and immediately did work on the levees to try to increase the structural integrity. Those will stay there until Howard Hansen is fixed. King County did it with global warming in mind. With the district or some organization thinking about that, whose responsibility and focus it is to ask those questions, you get answers so you go through the list and do the right projects.

Q: Everybody who is part of the problem should help pay for it. In Chehalis and Centralia why not just tax the businesses and everyone who shops there. If you want to have that kind of growth there, then charge them the taxes. By the Ford/Toyota place they had to breach the dike to let the water out so it makes sense to tax that area. The stadiums did it in Seattle – used taxes to build them.

A: These are decisions that haven't been made yet. One of the concepts is that when you charge a property tax in a FCZD, constitutional requirements apply and the tax option can only be uniformly applied in the district. If they are higher assessed values they will pay higher taxes as those rates are applied. You can add on a rate in areas that are especially benefitted by the services or contributing to the problem. It's a possibility to charge those areas more.

Q: Who decides how much protection you are getting from this thing? When you flood, property value goes down so taxes go down so you will go to other means. How do you determine how much this specific business is getting or that specific resident?

A: You are talking about applying rates - most commonly done with stormwater utilities – don't quantify benefits received – look at contribution to run off. Look at impervious surface area that adds to run off. I don't think that applies here. We are looking at less tried and true ways through our economic benefit analysis to determine what the benefits are to reducing flooding. It's going to be difficult apply it to specific properties other than to say you're in or you're out.

Q: Why aren't you getting federal money to help people move? Whoever does the zoning in these areas, why do they keep making these mistakes? Why don't they pay to fix their mistakes?

A: In the past, it was mostly done prior to the time these regulations were in place. Before FEMA created their maps and prior to the requirements that they shouldn't build in the floodplain. With the combination of regulations to stop new problems we're talking about fixing problems of the past. As to federal money, there is money out there and there has been money out there. There is FEMA money out there for buy-outs. The problem is that it takes matching money. The federal government seldom pays 100% of anything. One of the reasons to put the district in place is to have a way to go out and get those funds. That's the benefit of forming the district.

Q: That is a very old cop out. The problem is still here. We may end up paying millions for protection or pay a million here or there to buy people out and just call it good. Why aren't we looking into alternatives instead of taxing people 2, 3 different ways? It doesn't make sense.

A: The argument is about what the solutions are and what solutions should be. Whatever the solutions are, that will take revenue generation from the Counties, whether it's leveraging federal money or something else.

Comment: The Howard Hansen dam – that's the kind they want to put in the upper Pe Ell. It's 220' high. It's a \$330 million project. On the project list it's not listed under dams or water retention. They're hiding it. There's a group that wants the dam. It's been flooding here for 10,000 years. A lady just mentioned earmarks – I'd like to see Rossi stand here and say if you vote for me there are no earmarks. If he's elected he can't bring you one penny. If he's elected he can't help. This money is an earmark.

Comment: The Howard Hansen dam/Green River was messed up from the start. You let them build in the valley and then the dam filled up with silt. This is not what you need down here. This is a place that will flood forever. I have water coming through my barn every year or so – I just figure out what I can do to help myself – it's got to be done. When it comes to taxes – the water is still going to come. If you want to vote in more taxes for politicians instead of neighbor helping neighbor go for it – I'm not.

Q: I have a question for this guy that swam - how deep was the bottom of the river when you were swimming?

Comment: In the 60's I ran baling twine across the river to mark the depth. It was always the same. As the clear cutting kept happening it got higher and higher. In 2007 I had water in the house. It's a combination of everything – clear cutting of the trees and then you've got a bottle neck down here filling up the flood plains. I never see people saying stop fill in the floodplain and cutting the trees – just buy out the houses.

Comment: My solution is different – deepen the river – dredge the river. If it doesn't reduce it then dredge it again. That's what we have dredges for.

Q: The Washington Department of Transportation was talking about how they were going to put 25 foot berms so the water can't go through it. To me that's a levee. Talk about stopping progress – when I was a kid they told them not to put the highway through the flood plain. But they put it through the flood plain. Perhaps we can put a little toll so you can pay to drive through Lewis County on I-5. When I was a kid and we had high water – the water was right where WalMart is. They would row to the airport because all around the airport was water except where the airport was. So now you can't tell me that's not the flood plain. Most people here remember that. Little by little, all over, I'm sure Thurston and Gray's Harbor have done their share. They have probably filled in or dredged or dug canals or developed. Now I come here and all the homes are all adding to the flooding. Not just the logging. They're building houses. They're all up on the hill where they should be. But all the water comes down to the valley. We have a lot of other problems. Since we're stopping progress on I-5 we should tax them for going through Lewis County.

Q: WSDOT has been participating in the FA meetings. They are willing to participate financially in this effort. They are acknowledging that they benefit as much as you do locally.

Q: How big of an organization is this? What would the budget look like? How are you going to pay these people? Seems to me there are some issues it would be nice if you made clear – are you going to have 12 commissioners making \$800,000 or have a reorganization? High water is what this was called years ago. You got the benefit of that rejuvenating water – didn't have to irrigate – and all of a sudden you fill it in. Remember that dam saved you for years and years. Dams work everywhere and levees fail everywhere – dams help for years and years. Tell these people what it's going to cost them.

A: We don't have a budget yet for the program. One of the things that the FCZD authorization allows is it appoints the County Engineer to be the engineer for the FCZD, it allows the FCZD to contract with a lot of others. A lot of the services for the FCZD will be done by existing staff in the Counties.

Comment: Don't forget the economic value of everything in the flood plain. The real issue here is money. Why will you charge a tax? Will you gain from it? I like it that the Corps went through a little bit about how they will buy you out. I like some of the ideas. The issue is how many 100-year floods did we have in the last 12 years. FEMA is making the rules. FEMA payroll is nothing compared to the damages. FEMA is going to make rules for insurance. I'd like to see you tell people what will be involved in that. We need a professional staff. Thurston County believes they aren't doing any harm. Do you have a house – impervious surface?

Q: We're going to be taxed. That's a given right now. I have to accept the fact that taxes will go through. When will you use the taxes to buy people out or to fix the damages done – you could dig large reservoirs and help with the flooding everywhere – rather than building an extremely expensive dam? If you do build it how much will be federal money and how much will be tax money? We are the federal government – it's our money.

A: We aren't talking about specific solutions here. If the solution is a dam or otherwise, that will be decided later. Our hope is that the way to get the best solutions will be to talk amongst the three counties and as many interested parties as we can get to the table.

Comment: Regarding the question of why don't we just buy everyone out? It's a viable solution if people want to be bought out. The majority of the basin is rural farm land. Go try to buy the farmers out and find another 200 acres and a house with what the federal government will offer today. They can't go buy anything else with the money the government would pay. No way could they buy the same acreage with the money they would get. They've been devalued by the flooding. It's not by choice – keep it mind it's not that easy.

Q: Address the freeway – read the Olympian, Tacoma News Tribune, comments in the paper – people outside Lewis County think we're nuts for allowing building in the flood plain and clear cutting – they say you've caused your own problems (filling in flood plain) – they don't understand Lewis BOCC.

Q: It's not just that we buy everybody out – I suggest you buy a few of the houses and reuse the land to absorb the water. It's a cheaper option than building a huge dam. If you don't want to move, you don't want to sell your place when the offer is given, you won't have to pay those taxes. But for those who can't afford to move in the first place – if they are offered the chance they will take it. How much federal money will we get for these projects or is it all coming out of this area.

A: There are opportunities for federal matching funds.

A: You're talking about a project getting federal money; there's a very stringent process to go after those funds. At the present time the only one that's gone through the process for federal money is the Twin City Project – 12 miles of levees around Centralia and Chehalis and the Skookumchuck Dam water retention project – estimated at \$150 million. The funding would be 65% from federal funds and the rest local – which would be state and local doing that project. We're only at 35% design – a long way from actually building it. Currently it's projected for 2016 start and 2020 finish. It's not going to do a lot before 2020 and there's probably going to be a rain or two before that. The water retention project south of Pe Ell is purely on the books at this time – estimated in feasibility – building the dams as hydro dams. It is also an alternative, we had something much smaller that can be done to hold water during a storm. If that project were to be done, the Corps would go through the process of going to feds for the same 65/35 share of funding. Right now there are obviously those who don't believe dams are the answer. We are going through studies to see what impacts would be and mitigation that can be done. There are a lot of smaller projects that can be done that the FCZD might be able to do. I do need to address another area that I feel is a misperception. I have told people we didn't build in the flood plain yesterday. We started building there in 1893. Farmers came in and wanted land because it was wet and in order to farm it they had to bring in loam. The railroad came in and put berms on it. Railroads all built in the valley. Then the freeway came in; that freeway is the largest dike we have in the valley. There are areas where it dips down and it goes under water. Not talking 10, 40 homes – we're talking 5,000 homes, that have been built in this valley for years. Lewis County hasn't approved any building in the flood plain since 2002. The City of Centralia just changed their rules two years ago; to build in flood plain in Centralia would take some extraordinary measures. FEMA standards change. Years ago you could do just about anything. Current rule is that you can't cause more than a 1 foot rise in the entire plain of the river. River is 100 miles long in it's main channel. Chehalis will tell you that WalMart and Home Depot – are behind the levee. If you're behind the levee you're not in the flood plain anymore and you can build – FEMA rules. Will the water come around that levee, you bet when we have the 100 year flood. We aren't the only ones who did it. On the Chehalis reservation, Anderson Road was raised, land around the casino was raised so they wouldn't be under water. Land around the community center was raised.

Comment: Incorrect – where casino and community center are is above the flood plain. Show me where we raised it.

Comment: In Thurston County – the whole City of Olympia was raised up. More fill around Olympia than we thought. They dredged all the time. They dredge the river so they can load the ships. Lewis County isn't the only one doing this. Building in the flood plain more isn't going to help the problem. I concur. If the Corps project goes in it will change things too. The FA has put 5 gauges in the river. Working with a consultant to get data from gauges so we can see when the river is raising and pass that info on from one area to the next. We now have an early warning system.

Comment: It's easy to point fingers, there's enough blame to go around. This is an opportunity to fix problems.

Comment: Wetlands absorb water – asphalt makes water run-off. You can't pave over the wetland. I don't care what they did in 1890.

A: It's behind the dike.

Comment: Thank you for coming with opinions and for feedback on what the Flood Authority needs to consider. These are things we are going to be considering. We want to get all the good information we possibly can. There is a lot to consider. We talked about a cap of 5.90 on property taxes. That is the total cap that the county can charge. If a tri-county district were formed we would be limited to the least amount of money that's available in the 3 counties. If Grays Harbor County only had .10 left and Lewis County had .50 left then we would charge the .10 and not the .50.

Q: I heard discussion about cost of the levees and dams and other structures. No decision has been made. These are all on the table. Why are we talking about creating a FCZD without a vote of the people, to put it in place without knowledge of what it would lead to us supporting?

A: It's the chicken and egg problem. Right now the local sponsor for these big projects is the state because there is no local group to be a sponsor. We want to put a local organization in place to make decisions about these projects because it doesn't exist now. If it was in place you would have cost numbers and know the benefits, but since there's no local organization with capacity to do so it doesn't exist. The first task of the FCZD would be to take all those projects and make decisions about them collectively. We can't do that today. The district would give them that authority to come up with costs. Until the district is in place we can't do that.

Q: I've heard there would be different authorities they could use to do things under the emergency clause, like dredging; is that true?

A: In my experience that would not be true. You have to go through Section 7 with Army Corps. Gravel removal has to go through state and fed requirements. Emergency situations just move it along faster. It isn't a strategy to get around requirements.

Comment: When I was on rescue – I couldn't get on a radio signal to get the helicopter and watched a guy drown. Population – 40% seniors and those who are on welfare. People with power – where are the people who are going to pay for this? The BOCC without control – they can do whatever they want to. They have the power to tax us. Fees – if I showed you what some people pay for stormwater municipalities you'd be up in arms. A group of people that want to put a dam in upper Chehalis – they aren't going to want to buy my house. I have been at three different meetings and it's not the same story being told at each meeting.

Q: This is the first update to the presentation and you were going to mail this out. I don't like that none of these people here believe they are going to be taxed on something they don't have a vote on.

A: The presentations are available on line.

Q: Who's going to be the first group – and if they make decisions can we say no? How are you going to pick the initial people from these three county governments? Is it going to be that we read about it afterward or are we going to be able to say it should be someone from Lewis County or what?

A: The initial flood district commissioners are your County Commissioners. They may be supplemented by the interlocal agreement – but they are your sitting elected officials.

Q: How many people will be on this commission?

A: There's no decision yet – these are the things we want to know from you. How many do you think should be on the committee? That's what will help us move forward.

Q: In the 70's the monorail authority was voted in and then folded \$278 million in debt. Are you going to do that?

A: No – that's certainly not our intention.

Comment: The reason we're here tonight is because Chronicle wants to protect their investors and the people that pay for advertising. It's not about the little people – it's people trying to protect their interests that are going to have the power to tax.

## Appendix I – Draft Chehalis River Basin Flood District Interlocal Agreement – March 31, 2011

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**CHEHALIS RIVER BASIN FLOOD CONTROL  
INTERLOCAL AGREEMENT**

This Interlocal Agreement (“Agreement”) is entered into by and between the Grays Harbor County [Chehalis Basin] Flood Control Zone District [Grays Harbor County], the Lewis County Flood [Chehalis Basin] Control Zone District, and the [Thurston County Chehalis Basin Flood Control Zone District][Thurston County] (collectively, the “Members”).

**RECITALS**

WHEREAS, significant flooding of the Chehalis River and its tributaries inflicts catastrophic damages and disrupts commerce, transportation, communication and essential services which not only impair the ability to provide public safety and health services but also have adverse economic impacts; and

WHEREAS, the jurisdictions within the Chehalis River Basin that suffer the greatest flood damages are within large portions of Grays Harbor, Lewis, Thurston Counties, and the Chehalis Tribe; and

WHEREAS, the flooding and closure of Interstate 5 impacts transportation and commerce affecting the State of Washington (the “State”); and

WHEREAS, these jurisdictions share a common and compelling interest in jointly managing flows through their territories to reduce or mitigate flood damages and losses; and

WHEREAS, an initial entity known as Chehalis River Basin Flood Authority (the “Initial Authority”) was created in 2008 uniting eleven local jurisdictions by interlocal agreement to comprehensively address flooding issues throughout the basin to reduce such damages; and

WHEREAS public meetings regarding flooding in the Chehalis River Basin were held in 2009 and 2010; and

WHEREAS the Initial Authority completed the Chehalis River Basin Comprehensive Flood Hazard Management Plan in June 2010 (the “Flood Hazard Management Plan”), which contains 16 baseline and five ideal recommendations pertaining to new development regulations in the floodplain area of the basin; and

WHEREAS in the 2009 capital budget the State reappropriated funds to the Initial Authority to form a basin-wide flood Authority by June 30, 2011; and

WHEREAS, the Initial Authority desires to comply with such direction; and

WHEREAS, the Initial Authority has studied governance and financing structures authorized under existing State law and has selected chapter 86.15 RCW for the creation of flood control zone districts and chapter 39.34 RCW as the means for the Members (defined herein) to

enter into an interlocal agreement to engage in multi-jurisdiction flood control activities by June 2011;

WHEREAS, each Member has the authority to engage in flood control management activities; and

WHEREAS, the Initial Authority has recommended legislative amendments under chapter 86.15 RCW that provide for a multi-jurisdiction flood control zone districts, but such amendments are not yet approved by the State Legislature;

NOW, THEREFORE, it is agreed as follows:

**ARTICLE 1. Definitions.**

(a) “Advisory Committee” means the committee created under Article 11 for the purpose of promoting the participation of cities, towns and other interests (including, but not limited to, agriculture, fisheries and/or forestry interests) within the Authority’s boundaries.

(b) “Agreement” means this interlocal agreement, as it may hereafter be amended or modified, together with all exhibits and appendices hereto, as they may hereafter be amended or modified.

(c) “Allocation Calculation” means each Member’s allocation of costs as provided in Article 6 and Appendix A, attached to this Agreement and incorporated herein by this reference.

(d) “Asset Transfer Agreement” means an agreement between the Authority and a Member by which the Member transfers assets to the Authority, with or without monetary consideration, to be operated and maintained as part of the Authority.

(e) “Authority” means the Chehalis River Basin Flood Control Authority created under this Agreement.

(f) “Authorized Issuer” means either (a) the Authority (or a successor entity); or (b) a Member or other entity authorized to issue bonds for the benefit of the Authority and approved by the Board.

(g) “Board” means the Board of Directors of the Authority.

(h) “Budget Allocations” means each Member’s allocation of costs as determined by the Board pursuant to Article 6 of this Agreement.

(i) “ByLaws” means the ByLaws of the Authority, as adopted and amended by the Board.

(j) “Capital Improvement and Program Plan” means the plan described in Article 7.1 relating to a system of flood control facilities and programs designed to manage and control flood waters of the Chehalis River Basin and its major tributaries, and the costs and financing thereof.

(k) “Executive Officer” means the chief executive officer for the Authority appointed by and serving at the pleasure of the Board.

(l) “Flood Hazard Management Plan” means the Chehalis River Basin Comprehensive Flood Hazard Management Plan adopted in June 2010 by the Initial Authority.

(m) “Initial Authority” means the authority created in 2008 by eleven local jurisdictions by interlocal agreement to comprehensively address flooding issues throughout the Chehalis River Basin.

(n) “Majority Vote” means Board approval of a proposal on the basis of a simple majority of all Voting Directors, allowing one vote per Voting Director. A “simple majority” means a majority of all Voting Directors, not just the Voting Directors present and voting.

(o) “Members” means Grays Harbor County [Chehalis Basin] Flood Control Zone District [Grays Harbor County], Lewis County [Chehalis Basin] Flood Control Zone District, Thurston County Chehalis Basin Flood Control Zone District [Thurston County] , and any other flood control zone district or county that, consistent with Article 10, has accepted the terms of and is party to this Agreement. The term “Member” also includes the Tribe if it later determines to become a Member pursuant to Article 10.

(p) “Non-Voting Director” means a director of the Board designated as a Non-Voting Director pursuant to this Agreement.

(q) “State” means the State of Washington.

(r) “Supermajority Vote” means Board approval of an item accomplished by securing affirmative votes of at least two-thirds of all Voting Directors (not just the Voting Directors present and voting), allowing one vote per Voting Director.

(s) “Tribe” means the Chehalis Tribe.

(t) “Voting Director” means a director of the Board designated a Voting Director pursuant to the Agreement.

(u) “Watershed Management Plan” means collectively, the Flood Hazard Management Plan, the Capital Improvement and Program Plan and any other plan adopted by the Authority for purposes of regional water supply, water transmission, water quality or protection, or any other water-related purpose, including but not limited to the plans identified in RCW 39.34.190(3).

(v) “WRIA” means the Water Resource Inventory Area determined by the State Department of Ecology pursuant to Washington Administrative Code 173-500-040 and chapter 90.54 RCW.

**ARTICLE 2. Formation of Chehalis River Basin Flood Control Authority.**

**2.1 General.**

There is hereby created a consolidated flood control authority, herein after called the “Chehalis River Basin Flood Control Authority” (the “Authority”). The boundaries of the Authority are limited to the boundaries of the individual Members that are within the Chehalis River Basin. The Authority is a public body and an instrumentality of the Members, which exercises the activities described herein as authorized by the Interlocal Cooperation Act (RCW 39.34). The Authority is or shall be incorporated under RCW 39.34.030(3) as a public nonprofit corporation in the manner set forth in RCW 24.06, and it may, with Board approval be incorporated or reorganized in any other form permitted by law, including without limitation reorganization as a municipal corporation.

**2.2 Watershed Management Partnership.**

In addition to its status under any other applicable law, the Authority shall constitute a “watershed management partnership” as provided in Chapter 39.34 RCW. In connection with RCW 39.34.190 - .220, the Authority may adopt elements of the Watershed Management Plan, as appropriate, for the watersheds within its service area. In fulfilling its responsibilities for watershed management, the Authority may enter into interlocal agreements with Non-Member municipalities to engage in watershed management, including the development of Watershed Management Plan elements and the implementation and financing of such plan.

**ARTICLE 3. Purposes.**

The Authority’s purpose includes those related to flood management of the Chehalis River, its major tributaries, and the Chehalis watershed which require:

- (a) coordinated and cooperative efforts in conducting scientific hydrologic and hydraulic studies to determine and predict the sources, characteristics, behavior and forces of flood waters in the watershed and the effects that land use, land development, and jurisdictional practices may have on floods;
- (b) planning for and updates to the Flood Hazard Management Plan, including the integration of local land use and floodplain plans and recommendations for jurisdictional floodplain management and regulation;
- (c) developing a Capital Improvement and Program Plan (which shall be an element of a Watershed Management Plan under RCW 39.34.190-.200) that serves the needs of the Members and the Authority;
- (d) constructing, purchasing land, and operating and maintaining flood control, land and management facilities to prevent or minimize flood damage;
- (e) entering into agreements with Members or other jurisdictions, private agencies, the State, and/or with the US Army Corps of Engineers to promote efficiency, undertake comprehensive basin-wide approaches to flood management and minimize damages caused by

flooding or conditions that could lead to flooding, including providing for a local sponsor for a water resource project or projects within the Chehalis River Basin [should such project or projects be approved as further provided under Article 7.2 herein];

(f) responding to flood emergencies;

(g) exercising all other powers that may be exercised individually by all its Members, including without limitation powers with respect to watershed planning and management;

(h) coordinating and planning cooperatively with other regional or local water utilities and water resource agencies to integrate flood management with water resource management in the Chehalis River Basin, the State and the larger Northwest region; and

(i) carrying out, or furthering other flood management and water resource purposes that the members determine consistent with the provisions of this Agreement.

#### **ARTICLE 4. Powers.**

To further its purposes, the Authority has the full power and authority to exercise all powers authorized or permitted under RCW 39.34 and any other laws that are now, or in the future may be, applicable or available to the Authority. The powers of the Authority include but are not limited to the authority to:

(a) acquire, construct, receive, own, manage, lease and sell real property, personal property, intangible property and other flood management assets;

(b) operate and maintain facilities;

(c) enter into contracts;

(d) hire and fire personnel;

(e) sue and be sued;

(f) cause the exercise of the power of eminent domain (through its Members at their individual discretion, unless and until the Authority has that power under applicable law);

(g) allocate revenue requirements to the Members to fund the purposes of the Authority;

(h) impose, alter, regulate, control and collect rates and assessments;

(i) borrow money (through the Members or other entities at their individual discretion or as authorized by RCW 39.34 now or as hereafter provided by law);

(j) lend money or provide services or facilities to the Members or other governmental agencies;

(k) invest its funds;

- (l) establish policies, guidelines, or regulations to carry out its powers and responsibilities;
- (m) purchase insurance, including participation in pooled insurance and self-insurance programs, and indemnify the Members, officers and employees in accordance with law;
- (n) exercise all other powers within the authority of, and that may be exercised individually by each of the Members with respect to flood or storm water control, flood mitigation, flood prevention, integrated water resources planning, or any other purposes related thereto;
- (o) cooperate with and assume local sponsorship responsibility for projects with the US Army Corps of Engineers;
- (p) assume the responsibilities of equipping, operating and maintaining an early flood warning system;
- (q) enter into agreements with other agencies or private individuals in furtherance of emergency management and planning under chapter 38.52 RCW with respect to resources under the control of the Authority; and
- (r) exercise all other powers that the Authority may exercise under the law relating to its formation and that are not inconsistent with this Agreement, chapter 39.34 RCW or other applicable law.

**ARTICLE 5. Organization and Board of Directors.**

**5.1 Composition, Bylaws and Meetings.**

The Authority shall be governed by a Board comprised of the following directors:

- (a) one Non-Voting Director appointed *ex officio* by the State;
- (b) one Voting Director appointed by each Member;
- (c) one Voting Director appointed jointly by members of the Advisory Committee representing the cities and towns within both the Authority and WRIA 22 as provided under Article 11(f); and
- (d) one Voting Director appointed jointly by members of the Advisory Committee representing the cities and towns within both the Authority and WRIA 23 as provided under Article 11(g).

Initially, the Board shall consist of one Non-Voting Director and five Voting Directors, but shall be reduced if Members withdraw or are terminated, or increased if additional Members are admitted, both pursuant to the terms of this Agreement.

The Board shall adopt Bylaws consistent with this Agreement, that specify, among other matters, the dates, times and location of meetings; the Board powers and duties; the process for selecting officers, including the Executive Officer and a Chair and Vice Chair of the Board; the appointment of committees; or other policies or practices that aide the operation of the Board and the participation of the public in its business. The Board shall meet as required by the Bylaws. The Board is a public body and all of its meetings must be open and public, and conducted in compliance with the Open Public Meetings Act (chapter 42.30 RCW).

**5.2 Provision for an Elected Board of Directors.**

If legislative authority is enacted subsequent to the execution of this Agreement that provides for a public election of the board of directors for a multi-jurisdiction flood control zone entity, the Board may decide that all or some of the Voted Directors shall be elected, in accordance with applicable law. The State and the Tribe shall continue to each appoint a member.

**5.3 Powers of the Board.**

The Board has the power to take all actions on the Authority’s behalf in accordance with voting provisions set forth in this Agreement. The Board may delegate to specific Authority officers or employees any action that does not require Board approval under this Agreement.

**5.4 Board Actions and Voting.**

(a) Upon the request of any director of the Board, Robert’s Rules of Order shall govern the Board proceeding. All directors, except those appointed by the State, shall be a Voting Director and all Board actions, unless otherwise provided in subsection (b) of this Article 5.4, must be approved by a Majority Vote of Voting Directors. If any Member has been declared to be in default of its obligations under this Agreement, the Voting Director representing the Member shall become a Non-Voting Director until the Board has declared the default to be cured.

(b) A Supermajority Vote of the Board shall be required in order to approve the following items or actions:

- (1) Approval or amendment of the Authority’s budget, including the Budget Allocations;
- (2) A decision to request Members to issue debt for or on behalf of the Authority;
- (3) Adoption or amendment of the Bylaws, or amendment of the applicable requirements of Chapter 24.06 RCW;
- (4) An amendment to the Budget Allocations provided under Article 6, including the factors under paragraph (d) thereof and Appendix A;

(5) A transfer of the Authority's assets, liabilities and obligations to a successor entity under Article 14.2 herein, including without limitation converting the Authority to a municipal corporation pursuant to any newly enacted legislation; and

(6) Addition of a new Member pursuant to Article 10(b).

### **5.5 Staff, Consultants and Contractors.**

(a) The Authority shall consist of the Executive Officer and such other positions as established by the Board. The Executive Officer shall be appointed by and serve at the pleasure of the Board and administer the Authority in its day-to-day operations consistent with the policies adopted by the Board.

(b) Only the Board shall be authorized to hire or retain legal counsel and independent accountants and auditors.

(c) The Executive Officer shall have general supervision over the administrative affairs of the Authority, including the power to appoint and remove at any time all other employees of the Authority, subject to applicable law.

(d) Neither the Board, nor any of its directors, shall direct the appointment of any person to, or his or her removal from, office by the Executive Officer or any of his or her subordinates. Except for the purpose of inquiry, the Board and its directors, shall deal with the administration of the Authority solely through the Executive Officer, and neither the Board nor any director thereof shall give orders to any subordinate of the Executive Director, either publicly or privately. The provisions of this paragraph do not prohibit the Board, while in open session, from fully and freely discussing with the Executive Officer anything pertaining to appointments and removals of Authority employees and other Authority affairs.

### **5.6 Budgets, Financial Management & Borrowing.**

(a) The Treasurer of the Authority shall be the Treasurer of \_\_\_\_\_ County, unless a replacement or successor is determined by action of the Board.

(b) The Authority shall reimburse each Member as permitted under State law for reasonable amounts expended on behalf of the Authority in connection with the management and operation of the Authority.

(c) The Authority's budget fiscal year shall be either the calendar year, or two calendar years as the Board may determine.

(d) At least \_\_\_\_\_ months prior to the commencement of each budget year, a recommended operating budget and work plan for the Authority for the next budget year shall be adopted by the Board at least \_\_\_\_\_ months prior to the commencement of the budget year and transmitted to each Member. The adopted budget shall contain an itemization of all categories of budgeted expenses and shall contain an itemization of the amount of each Member's contribution, including Budget Allocations and in-kind services, towards that budget.

(e) Approval of the budget by the Board shall obligate the Members to make whatever contribution(s) is budgeted for the Member.

(f) Budget Allocations shall be provided to the Treasurer of the Authority as determined by the Board. If any Member is delinquent by more than \_\_\_\_\_ months in the payment of its approved Budget Allocation to the Authority, the Member shall be treated as a non-voting Member until such delinquency has been paid and may be terminated consistent with Article 9(b).

(g) The Authority's books and records shall be open to inspection by the State Auditor.

**ARTICLE 6. Budget Allocations and Amendments.**

(a) In determining Budget Allocations for each Member, the Board must first identify whether the expenses being allocated provide proportionate benefits to all areas within the Authority or provide disproportionate benefit to specific areas.

(b) For expenses identified by the Board as providing proportionate benefits to all areas within the Authority, the Budget Allocations for each Member shall be determined by following the Allocation Calculations outlined in Appendix A:

Grays Harbor County Flood Control Zone District	Thurston County Flood Control Zone District	Lewis County Flood Control Zone District
<u>[TBD [John]]</u>	<u>[TBD [John]]</u>	<u>[TBD [John]]</u>

(c) In determining Budget Allocations for costs or portions of costs identified by the Board as providing disproportionate benefit to specific areas, the Board shall consider the assessed valuation, economic value added per day, prevented loss, construction value, increased assessed value, economic activity value, zoning and development conditions and other factors the Board deems appropriate to allocate the benefits of expenditures to the various areas.

(d) Each Member may be subject to an additional charge which will commence two years after the effective date of the Agreement and be added to each Member's Allocation Calculation. The additional charge will be [\_\_\_\_\_ per acre per day] for each acre of land that is located within the Member's boundaries and within in the boundaries of a city or the unincorporated boundaries of a county that have not adopted and implemented the 16 baseline floodplain development regulations recommended under the Flood Hazard Management Plan. It is understood that Members may (but are not required to) pass on the additional charge to properties within those areas. The additional charge is intended to achieve consistent floodplain management within the Chehalis River Basin which improves the effectiveness of flood mitigation efforts. The additional charge also allows the Authority to offset flood mitigation costs associated with the areas that do not conform with the recommended regulations.

(e) Unless otherwise specified in this Agreement, no separate dues, charges or assessments shall be imposed or required of the Members except upon the approval of the Board. In the event a Member agrees to totally fund an additional project, not currently approved in the

budget, the budget may be amended to reflect the funding of the total cost of such project by the requesting Member.

(f) The Budget Allocations outlined in this Article 6, including the Allocation Calculations, may be amended as provided under Article 5.4 when:

- i. A new Member is added or an existing Member withdraws from the Agreement;
- ii. The Federal Emergency Management Agency amends its floodplain map;
- iii. A city or county amends or adopts new land use regulations; or
- iv. Any other significant change in economic or other calculation factors occurs, which includes, but is not limited to, a significant change in the assessed valuation of land or property.

## **ARTICLE 7. Capital Plans, Operations and Maintenance.**

### **7.1 Flood Management Plan.**

The Authority shall prepare an initial Capital Improvement and Program Plan describing a system of flood control facilities and programs designed to manage and control flood waters of the Chehalis River Basin and its major tributaries, and the costs and financing thereof. The Board may from time to time amend the Capital Improvement and Program Plan.

### **7.2 Vote for Major Capital Improvements.**

If it is necessary to incur indebtedness in excess of \$\_\_\_\_\_ to pay for major capital improvement projects under the Capital Improvement and Program Plan, the Authority shall not proceed with such financing unless (i) the initial Capital Improvement and Program Plan is approved by an advisory vote of the electors within the Authority, or (ii) the issuance of general obligation debt is approved by electors of each of the Members within the Authority, consistent with RCW 86.15.170 or other applicable law.

## **ARTICLE 8. Issuance of Bonds.**

It is anticipated that the Authority may require capital funding from time to time to support facilities, technology and equipment needs. An Authorized Issuer may issue bonds to provide for the Authority's capital funding needs and all Members shall be required to participate equitably in providing for the payment of those obligations when requested to do so by the Board. It is expressly contemplated that Members may become subject to differential Budget Allocations over time based upon the benefit conferred to such agencies. Such requests for participation in a borrowing program shall be conveyed in writing to each Member, together with the proposed allocation of responsibility as between Members. If a Member elects not to participate as requested by the Board, it may within 45 days of receiving the request propose in writing to the Board an alternative means of supporting the proposed debt program. The Board may accept, reject or modify the proposal and shall re-issue notice to all Members of its decision.

If a Member does not participate as requested by the Board in the borrowing program (either through the initial proposed participation or through an alternative means of support that is accepted by the Board), the membership of that Member may be terminated pursuant to Article 9 of this Agreement.

(a) Bonds that are not general obligation bonds shall be subject to an advisory vote pursuant to the requirements of Article 7.2. General obligation indebtedness incurred by an Authorized Issuer shall be approved by a vote of the applicable electors to the extent required by RCW 86.15.170.

(b) Each Member's participation in a borrowing program shall be integrated into Budget Allocations consistent with Article 6 to ensure that amounts are collected each year from Members and withdrawn or terminated Members sufficient to repay each Member's obligations in support of an Authority borrowing program on a timely basis.

(c) For as long as any obligations issued by an Authorized Issuer to an approved Authority borrowing program are payable from the Authority's pledge of debt service from Budget Allocations, the Authority irrevocably pledges to impose and take all reasonable action to collect all Members' Budget Allocations and amounts due from former Members in amounts sufficient to make timely payments to the issuer of those obligations, together with coverage and other amounts pledged to be collected with respect to the obligations.

(d) Each Member irrevocably covenants that it shall establish, maintain and collect taxes, rates, fees or other charges at levels adequate to provide revenues sufficient to enable the Member to make the payments of Budget Allocations required to be made under this Agreement, and that if the Member withdraws or is terminated from this Agreement pursuant to Article 9, that Member shall nevertheless continue to be obligated to pay its allocable share of the debt service from Budget Allocations with respect to the Authority obligations issued prior to the date that the Member so withdraws or is terminated from the Agreement. Each Member hereby acknowledges that this covenant may be relied upon by the owners of obligations issued for, on or behalf of the Authority, and that these covenants represent an irrevocable pledge to pay such Budget Allocations as the Authority may impose in amounts sufficient to pay its share of the debt service on those obligations.

(e) To meet the requirements of United States Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) (the "Rule") as applicable to a participating underwriter for obligations issued for or on behalf of the Authority, each Member that may be deemed to be an "Obligated Person" under the Rule shall make a written disclosure undertaking for the benefit of holders of the obligations and provide certificates or verifications all as may be reasonably request by an Authorized Issuer.

(f) Each Member further covenants that it shall take all actions necessary to prevent interest on obligations issued for or on behalf of the Authority from being included in gross income for federal income tax purposes, and it shall neither take any action nor make or permit any use of proceeds of those obligations or other funds treated as proceeds of those obligations at any time during the term of those obligations that will cause interest on those obligations to be included in gross income for federal income tax purposes.

(g) The provisions of this Article shall survive the expirations or termination of this Agreement.

**ARTICLE 9. Withdrawal by or Termination of Members.**

(a) Any Member may withdraw from this Agreement by giving one year's written notice to the Board, by December 31 in any year, of its intention to withdraw, effective December 31 of the following year.

(b) The Board may terminate a Member's membership in the Authority for nonpayment or delinquency in payment of a Budget Allocation or for failure to participate in a borrowing obligation program as approved by the Board. Any termination of a Member under this provision will not be effective until the conflict resolution procedures under Article 17 are completed. On the effective date of such termination, said former Member shall:

- (1) Lose its representation on the Board; and
- (2) Lose its right to receive a share of the Authority's assets upon dissolution of the Authority.

(c) A terminated and/or withdrawing Member is deemed to forfeit any and all rights it may have to the Authority's personal or real property, or any other ownership in the Authority, unless otherwise provided by the Board, provided further that this forfeit of rights shall not apply to personal property on loan to the Authority from the terminating or withdrawing Member.

(d) The termination and/or withdrawal of a Member shall not discharge or relieve any Member of its obligations to the Authority, including but not limited to bond obligations, contract obligations, cash financed capital projects, the Member's share of fixed operating costs and any other expenses contained in the Member's adopted budget for that year, and any assessments or other similar charges lawfully imposed by the Authority. The withdrawing or terminated Member's allocable share shall in no event include an obligation for future expenses for which the Authority has not incurred a legal obligation.

(e) A Voting Director representing a Member that has been terminated by the Board for nonpayment or delinquency in payment of a Budget Allocation shall not be authorized to cast votes on the Board consistent with Article 5.6(f). A Voting Director representing a Member that (1) has given notice of withdrawal, or (2) has been terminated by the Board for failure to participate in a borrowing obligation program, which withdrawal or termination is effective at a future date, shall be authorized to cast votes on the Board only on budget items to be implemented prior to the withdrawal or termination date. A withdrawing or terminated Member will be excused from participating in a borrowing program approved per Article 8 where the debt instruments in support of that program will not be issued until after the Member is withdrawn or terminated, provided that the withdrawing or terminating Member is not authorized to vote on such borrowing program.

(f) The Board may establish additional generally applicable conditions and requirements for withdrawal or termination.

**ARTICLE 10. Addition of New Members [and Replacement of Certain Members.]**

- (a) The Tribe may be admitted as a Member of the Authority at any time if:
  - (i) the Tribe provides the Board 60 days written notice of its intent to join the Authority; and
  - (ii) the Tribe accepts the terms of the Agreement including any amendments to Budget Allocations under Article 6(f) that have been adopted by the Board in anticipation of the Tribe joining as a Member.

(b) A flood control zone district or a county may be admitted as a Member of the Authority consistent with Article 5.4. As a condition of becoming a Member, a new Member must accept the terms of this Agreement. The Board may also require payment or other contributions or actions by a new Member as the Board may deem appropriate, and may set such start date for service as it deems appropriate, it being the intention of this provision that the addition of new Members shall not cause the pre-existing Members to incur additional cost.

[(c) If a Member that is a county Member creates a flood control zone district after the effective date of this Agreement, the Member may transfer and assign its entire interest in this Agreement to the newly created flood control zone district. By accepting such transfer and assignment, the newly created flood control zone district is deemed to be Member entitled to all rights and subject to all liabilities and obligations of such county under this Agreement.]

**ARTICLE 11. Advisory Committee.**

- (a) To promote the participation of cities, towns and other interests (including, but not limited to, agriculture, fisheries and/or forestry interests) within the Authority's boundaries, there is hereby created an Advisory Committee.
- (b) The Advisory Committee may have members appointed as follows:
  - (i) Each city and town located within the Authority's boundaries may appoint a member of the Advisory Committee and that member shall serve at the pleasure of the city or town that appointed such member;
  - (ii) If a county located within the Authority does not have an elected official serving as a Voting Director on the Board, then such county may appoint a member to the Advisory Committee; and
  - (iii) The remaining members (but no more than the aggregate number appointed by cities and towns) shall be appointed by the Board.
- (c) All action of the Advisory Committee shall be by the simple majority approval of all members of the Advisory Committee, allowing one vote per member. A "simple majority" means a majority of all members, not just the members present and voting.

(d) The Advisory Committee shall adopt by-laws, which by-laws and subsequent amendments shall be subject to the approval of the Board.

(e) Citizen members appointed to the Advisory Committee must have a knowledge and understanding of flood management or other area of expertise necessary to carry out the purposes of this Agreement and be committed to the furtherance of flood management of the Chehalis River Basin. A citizen member may be removed from the Advisory Committee with or without cause upon action by the Board.

(f) The members of the Advisory Committee representing the cities and towns within WRIA 22 shall, by simple majority vote, appoint a Voting-Director to the Board as provided under Article 5.1(c).

(g) The members of the Advisory Committee representing the cities and towns within WRIA 23 shall, by simple majority vote, appoint a Voting-Director to the Board as provided under Article 5.1(d).

#### **ARTICLE 12. Indemnification and Hold Harmless.**

(a) Each Member shall, indemnify and hold other Members, their officers, officials, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of that Member's gross negligence or willful acts or omissions in connection with the performance of its obligations under this Agreement, except to the extent the injuries or damages are caused by another Member. In the event of recovery due to the aforementioned circumstances, the Member responsible for any such gross negligence or willful acts or omissions shall pay any judgment or lien arising therefrom, including any and all costs and reasonable attorneys fees as part thereof. In the event more than one Member is held to be at fault, the obligation to indemnify and to pay costs and attorneys fees, shall be only to the extent of the percentage of fault allocated to each respective Member by a final judgment of the court.

(b) Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of a Member hereto, its officers, officials, employees, and volunteers, the Member's liability hereunder shall be only to the extent of the Member's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Party's waiver of immunity under Industrial Insurance Title 51 RCW, solely for the purpose of this indemnification. This waiver has been mutually negotiated by the Members. The provisions of this Article shall survive the expiration or termination of this Agreement.

(c) Each Member shall give the other Members proper notice of any claim or suit coming within the purview of these indemnities.

#### **ARTICLE 13. Insurance.**

The Board and Executive Officer shall take such steps as are reasonably practicable to minimize the liability of the Members associated with their participation in this Agreement,

including but not limited to the utilization of sound business practices. The Board shall determine which, if any, insurance policies may be reasonably practicably acquired to cover the operations of the Authority and the activities of the Members pursuant to this Agreement (which may include general liability, errors and omissions, fiduciary, crime and fidelity insurance), and shall direct the acquisition of same.

**ARTICLE 14. Duration and Dissolution.**

**14.1 Duration.**

The Authority shall remain in existence for the longer of the following: (a) the period it holds any assets; (b) the period during which bonds are outstanding; or (c) the period it continues to include Members.

**14.2 Dissolution; Successor Entity.**

The Authority may be dissolved upon approval of the Board. Upon dissolution or termination of the Agreement under this Article 14, except as provided in an Asset Transfer Agreement, the Authority's assets initially shall be held by its then current Members as tenants in common. Each Member's ownership interest must be based on that Member's contribution to the overall budget at the time the Agreement is terminated or dissolved. The Authority's liabilities (including Bonds and other contractual obligations) initially shall also be distributed based on the overall budget at the time the Agreement is terminated or dissolved, as applicable. Assets and liabilities must be distributed in accordance with agreement or contract, under a voluntary mediation process, or by a court of law. A court may appoint an arbitrator or special master. Distribution shall be based on the best interests of efficient and economic flood control in the entire area served by the Members, subject to a rebuttable presumption that assets will be returned to the Member that originally transferred them to the Authority. That presumption may be overcome by a showing that another asset distribution is in the best interests of efficient and economic flood management. The proceeds of any sale of assets must be distributed among the then current Member's overall budget at the time the Agreement is terminated or dissolved.

Notwithstanding the provisions above, upon approval of the Board, all assets, liabilities, and obligations of the Authority may be transferred to any successor entity (including without limitation, a joint operating authority, a multi-county flood control zone district, or other municipal corporation, as permitted under State law), and all obligations of Members and parties contracting with the Authority become obligations to the successor entity.

**ARTICLE 15. Amendments.**

Except for amendments permitted under Article 5.4, this Agreement may be amended only upon [the unanimous agreement of the Members.] This Article shall not be construed to require unanimous consent for the addition of a new Member.

**ARTICLE 16. Severability.**

The invalidity of any clause, sentence, paragraph, subdivision, Article or portion thereof, shall not affect the validity of the remaining provisions of this Agreement.

**ARTICLE 17. Conflict Resolution.**

(a) Whenever any dispute arises between the Members or between the Members and the Authority (referred to collectively in this Article as the “parties”) under this Agreement which is not resolved by routine meetings or communications, the parties agree to seek resolution of such dispute by the process described in this Article. This provision shall not prevent the parties from engaging in any alternative dispute resolution process of their choosing upon mutual agreement.

(b) The parties shall seek in good faith to resolve any such dispute or concern by meeting, as feasible. The meeting shall include the Chair of the Board, the Executive Officer, and the representative(s) of the Member(s).

(c) If the parties do not come to an agreement on the dispute or concern, any party may demand mediation through a process to be mutually agreed to in good faith between the parties within 30 days, which may include binding or nonbinding decisions or recommendations. The mediator(s) shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement. The parties shall share equally the costs of mediation and assume their own costs.

(d) If the parties are unable to reach a mutually agreeable solution as a result of mediation under paragraph (c), the conflict resolution procedures in this Article will be exhausted and the parties may pursue any and all available remedies under applicable law.

**ARTICLE 18. Venue.**

The venue for any action related to this Agreement shall be in Superior Court in and for [Thurston] County, Washington.

**ARTICLE 19. Filing.**

As provided by RCW 39.34.040, this Agreement shall be filed prior to its entry in force with the Gray Harbor, Lewis and Thurston County Auditors, the Secretary of State, and such other governmental agencies as may be provided by law.

**ARTICLE 20. No Third Party Beneficiaries.**

There are no third-party beneficiaries to this Agreement except for the rights of bond owners as provided in Article 8. No person or entity other than a party to this Agreement shall have any rights hereunder or any authority to enforce its provisions, and any such rights or enforcement must be consistent with and subject to the terms of this Agreement.

**ARTICLE 21. Entire Agreement.**

This Agreement constitutes the entire and exclusive agreement between the parties relating to the specific matters covered in this Agreement. All prior or contemporaneous verbal or written agreements, understandings, representations or practices relative to the foregoing are superseded, revoked and rendered ineffective for any purpose. This Agreement may be altered,

amended or revoked only as set forth in Article 15. No verbal agreement or implied covenant may be held to vary the terms of this Agreement, any statute, law or custom to the contrary notwithstanding.

**ARTICLE 22. State Approval and Acceptance.**

By approving and accepting this Agreement, the State confirms that the Agreement fulfills the requirement to create a flood entity required by the State in connection with Chapter 180 of the Laws of 2008, and also fulfills the requirements of the Interlocal Agreement No. K331 between the State Office of Financial Management and Lewis County dated June 13, 2008, and all amendments thereto including Amendment No. 3 dated June 1, 2010. The State also confirms its intention to appoint an *ex officio* director to the Board as described in Article 5.1.

**ARTICLE 23. Execution.**

This Agreement may be executed in one or more counterparts.

GRAYS HARBOR COUNTY  
[CHEHALIS BASIN] FLOOD CONTROL  
ZONE DISTRICT [GRAYS HARBOR  
COUNTY]

LEWIS COUNTY [CHEHALIS BASIN]  
FLOOD CONTROL ZONE DISTRICT

By \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

By \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

ATTEST:  
\_\_\_\_\_

ATTEST:  
\_\_\_\_\_

THURSTON COUNTY [CHEHALIS  
BASIN] FLOOD CONTROL ZONE  
DISTRICT [THURSTON COUNTY]

THE CHEHALIS TRIBE

By \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

By \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

ATTEST:  
\_\_\_\_\_

ATTEST:  
\_\_\_\_\_

Approved and Accepted by:

THE STATE OF WASHINGTON

By

\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

ATTEST:

\_\_\_\_\_

# Appendix A

Article 6(c) stipulates that the allocation of costs or portions of costs providing disproportionate benefit to specific areas is to be negotiated based on a number of factors. For those expenses identified by the Board as providing proportionate benefits to all areas within the Authority, Article 6(b) defines the percentage share to be allocated to each Member (jurisdiction) for the purpose of determining their Budget Allocation. The derivation of those percentage shares is described below. It is a several-step process. The first step is an allocation between floodplain-related costs and contributing area (outside the floodplain and inside the Authority boundary) costs. [Together, the floodplain and the contributing area make up the total Chehalis River Basin to the extent it is included in the Authority boundary.] The next steps involve the allocation of costs to individual Members. The following information (2010) is used in the initial calculation:

	Grays Harbor			
	County	Thurston County	Lewis County	Total
Floodplain Area Direct Economic Value Added p/Day <sup>[1]</sup>	[A] \$ 1,950,898	[B] \$ 146,446	[C] \$ 2,036,831	[E] \$ 4,134,175
Floodplain Area Total (Dir. & Indir.) Benefit in Basin <sup>[2]</sup>	[F] \$ 2,844,161	[G] \$ 201,362	[H] \$ 2,761,940	[J] \$ 5,807,463
Floodplain Area Total Assessed Value <sup>[3]</sup>	[K] \$ 2,854,000,000	[L] \$ 688,000,000	[M] \$ 957,000,000	[O] \$ 4,499,000,000

**NOTES:**

- [1] Floodplain area direct economic value added per day is an estimate of net economic output, or gross domestic product, in the 100-year floodplain from economic activity located in the 100-year floodplain.
- [2] Floodplain area total (direct and indirect) benefit in the basin is an estimate of net economic output in the Chehalis River Basin from economic activity located in the 100-year floodplain.
- [3] Floodplain area total assessed value is the sum of taxable and non-taxable assessed value of land and improvements located in the 100-year floodplain.

It is expected that this information will be updated periodically using the IMPLAN model for economic inputs and County Assessor and Geographic Information System (GIS) data for assessed valuation inputs.

**Step One: Allocation of Cost between the Floodplain and the Contributing Area**

The budget item cost multiplied by Total (Basin-wide) Floodplain Area Direct Economic Value Added per Day as a percentage of Total Floodplain Area Direct and Indirect Basin-wide Benefit per Day is equal to the portion of the budget item cost that is associated with floodplain development. The remainder is equal to the portion of budget item cost associated with the contributing area.

**% Applied to Estimate Floodplain Cost**

**% Applied to Estimate Contributing Area Cost**

[E] / [J] <b>71.2%</b>
1 - [E] / [J] <b>28.8%</b>

**Step Two: Allocation of Floodplain Costs to Members**

The budget item cost portion associated with the floodplain is separated into two equal halves.

The first half multiplied by the total (taxable plus non-taxable) assessed value of land and improvements in the floodplain for each member as a percentage of the total (basin-wide) assessed value of land and improvements in the floodplain (the AV Factor) is equal to the first component of budget item cost to be recovered by each Member.

AV Factor	Grays Harbor			Total
	County	Thurston County	Lewis County	
	[K] / [O]	[L] / [O]	[M] / [O]	100%
	63.4%	15.3%	21.3%	

The second half multiplied by the Floodplain Area Direct Economic Value Added per Day for each Member as a percentage of the Total Floodplain Area Direct and Indirect Benefit per Day for each Member (the Floodplain Economic Factor) is equal to the second component of budget item cost to be recovered by each Member.

Floodplain Economic Factor	Grays Harbor			Total
	County	Thurston County	Lewis County	
	[A] / [E]	[B] / [E]	[C] / [E]	100%
	47.2%	3.5%	49.3%	

### Step Three: Allocation of Contributing Area Costs to Members

The budget item cost portion associated with the contributing area multiplied by the Total Floodplain Area Direct and Indirect Benefit per Day for each Member as a percentage of the Total Floodplain Area Direct and Indirect Basin-wide Benefit per Day (the Total Economic Factor) is equal to the third component of budget item cost to be recovered by each Member.

Total Economic Factor	Grays Harbor			Total
	County	Thurston County	Lewis County	
	[F] / [J]	[G] / [J]	[H] / [J]	100%
	49.0%	3.5%	47.6%	

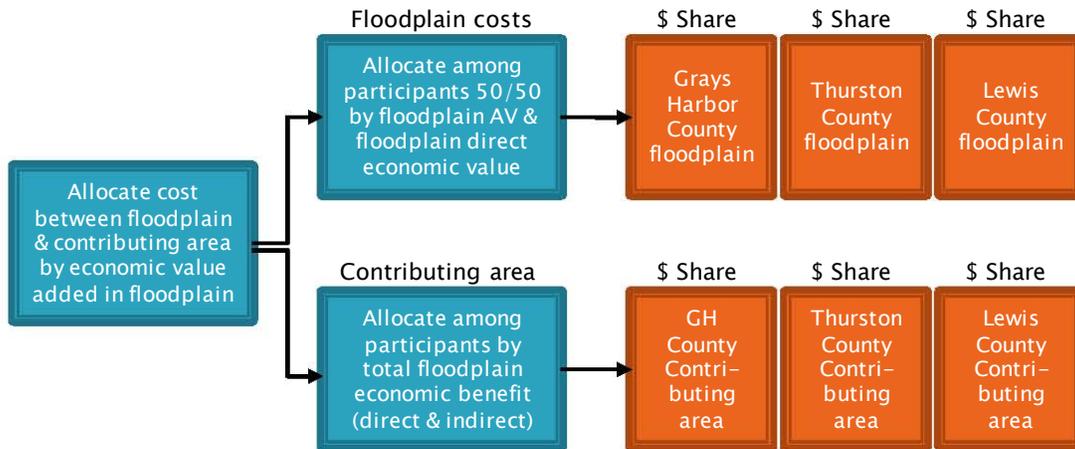
### Step Four: Determination of Total Allocated Cost by Member

The weighted sum of the three components of budget item cost for each Member is equal to the budget item allocation for each Member.

Total Cost Allocation Factor	Grays Harbor			Total
	County	Thurston County	Lewis County	
	53.5%	7.7%	38.8%	100%

These percentages can be derived using the following formula: [% Applied to Estimate Floodplain Cost (from Step One) X 50% X AV Factor per Member (from Step Two)] + [% Applied to Estimate Floodplain Cost (from Step One) X 50% X Floodplain Economic Factor per Member (from Step Two)] + [% Applied to Estimate Contributing Area Cost (from Step One) X Total Economic Factor per Member (from Step Three)].

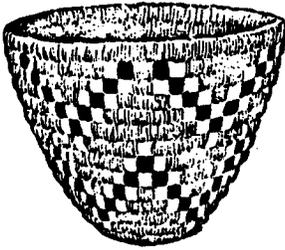
The following graphic illustrates the process to be used. The subsequent graphic shows the resulting cost shares for an example cost of \$1 million.



			Grays Harbor County			Thurston County			Lewis County			
Cost \$1,000,000	Floodplain 71.2% \$ 711,873	50%	63.4%	15.3%	21.3%	<i>by AV Factor</i>						
		\$ 355,936	\$ 225,793	\$ 54,431	\$ 75,713	<i>by Floodplain Economic Factor</i>						
		50%	47.2%	3.5%	49.3%							
		\$ 355,936	\$ 167,965	\$ 12,608	\$ 175,363							
	Contributing Area 28.8% \$ 288,127	100%	49.0%	3.5%	47.6%	<i>by Total Economic Factor</i>						
		\$ 288,127	\$ 141,108	\$ 9,990	\$ 137,029							
			\$ 393,758	\$ 67,039	\$ 251,076	<i>Floodplain Costs</i>						
			141,108	9,990	137,029	<i>Contributing Area Costs</i>						
			\$ 534,866	\$ 77,029	\$ 388,105	<i>Total Costs</i>						
			53.5%	7.7%	38.8%							

## Appendix J – February 28, 2011 Letter of Withdrawal from the Confederated Tribes of the Chehalis Reservation

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# CONFEDERATED TRIBES of the CHEHALIS RESERVATION

February 28, 2011

Commissioner Willis, Chair  
Chehalis River Basin Flood Authority  
100 West Broadway, Suite #1  
Montesano, WA 98563

Dear Chair Willis,

This letter will serve as the Chehalis Tribes official notice of withdrawal from the Chehalis Basin Flood Authority. We participated in several flood groups addressing flooding issues in the Chehalis Basin with the intent to help find a basin-wide solution that was based in science, helped protect people, property and the environment. We have been on some form of flood authority for the last 10 years, and have always hoped to find a scientifically sound solution to the issue.

We expected that science would be given higher consideration than politics and economics. We also expected there would be serious considerations of a wide variety of ideas. Unfortunately, the flood authority has looked at one solution, being dams; just as previous flood groups looked at one solution as being levees. The Flood Authority seems to be trying to make dams be a "one size fits all" approach and is now left without time or money necessary to put forth realistic solutions that might benefit all jurisdictions.

It appears that a few members of the flood authority do not take the flooding issue seriously as a matter of protecting lives and property, but rather a means to increase economic base and continue to add to the negative impacts that increase flooding. As long as this continues, we do not believe this group will be able to move forward in a manner that arrives at a basin-wide solution.

We will continue to seek solutions that benefit the Chehalis Tribe, reduce impacts of flooding, improve minimum flows, and improve fish habitat; and will oppose solutions that impact our culture and have negative impacts on the environment. We wish you well with your attempt to generate a solution that each jurisdiction will find acceptable.

Sincerely,

David Burnett  
Chairman

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