



CHELAN COUNTY

FLOOD CONTROL ZONE DISTRICT

316 WASHINGTON STREET
SUITE 402
WENATCHEE, WASHINGTON 98801
TELEPHONE (509) 667-6415

Eric Pierson, PE
ADMINISTRATOR

FINANCIAL POLICIES

NOVEMBER 2017

Through partnerships and careful planning, identify sustainable, cost-effective actions that will mitigate the impacts from flood hazards; to protect the health, safety, quality of life, environment, and economy of the communities within Chelan County.

FORWARD:

Pursuant to RCW 86.15, the Chelan County Flood Control Zone District (FCZD or District) was established by the Board of County Commissioners by Resolution 2014-59. The Board of County Commissioners, also identified as the Board of Supervisors, are the ex officio managers of the District. The District Administrator (County Engineer) will exercise best professional judgment in conjunction with the direction of the Board of Supervisors to determine the appropriate courses of action for all circumstances or events within the province of the FCZD, whether or not such events or circumstances are anticipated and addressed in this document.

These financial policies are necessary to ensure consistency in actions and expectations between the FCZD, the County Supervisors, cities within Chelan County, and the District's citizens and stakeholders. This document acts as the financial policy framework for the District, as referenced in the 2017 Chelan County *Comprehensive Flood Hazard Management Plan* (Resolution 2017-102, Chapter 12, Section 12.6 – Funding and Financing Policies).

The Chelan County FCZD was established in response to the growing frequency and severity of flash and stage flooding in greater Chelan County. The operating guidelines below for the FCZD identified the following primary purposes of the District:

- To safeguard human life, health, and safety by protecting public infrastructure from flooding and channel migration
- To identify and implement flood hazard management activities in a cost-effective and environmentally conscience manner
- To identify flood-prone and repetitive loss areas involving public infrastructure within Chelan County and identify solutions for flood control mitigation in those areas
- To prioritize capital projects to mitigate damage from flash and stage flooding in flood-prone and repetitive loss areas
- To lead and coordinate recovery efforts for significant flooding events within Chelan County with local, state, and federal agencies
- To increase awareness and provide education to the public and other local agencies on flood hazards and effective mitigation measures

- To update, manage, and administer flood zone mapping, local flood zone regulations, and flood hazard assessments within greater Chelan County for consistency with the NFIP

ADMINISTRATION OF FUNDING

Levy Revenue

Monies received via levy into the FCZD Fund shall be allocated according to the following budget categories (RCW 86.15.140):

- Construction & Improvements - This category will be dedicated to planning, designing, and constructing projects, including Capital Outlay, that meet the goals, objectives, and policies within the *Comprehensive Flood Hazard Management Plan*.
- Operation & Maintenance -This category will be to budget for maintenance of District owned facilities¹, education and outreach efforts, and the Emergency Response Fund.
- Overhead & Administration - This category will be dedicated for general management and overview of the District and continual management and reporting on implementation of the FCZD *Comprehensive Flood Hazard Management Plan* elements.
- Bond Retirement & Interest
- Leverage Fund – This category is meant to be dedicated to providing for opportunity for flood control projects that Cities and other municipal stakeholders wish to receive FCZD funding assistance.
- Reserve Fund

Budget levels and allocations from levy funds shall be completed during the County's annual budget development process for the upcoming fiscal year.

Emergency Response Fund

Funds allocated to the *Emergency Response* Program under the Operations & Maintenance budget category, which cannot be determined in advance of emergency events, shall be, approved by the Board of Supervisors. Eligible reimbursements will be for cleanup and recovery efforts after a qualifying flood event and to reestablish existing conditions of critical facilities² after a qualifying flood event occurs (see below). Mitigation or betterment of existing critical facilities is not allowable under this funding source. Expenditures from the *Emergency Response* Program should not exceed 30% of annual levy revenue collected per annum in any given year and shall be requested through the *Request for Emergency Recovery Reimbursement* application process and approved by the Board of Supervisors. If exhaustion of available funds within the *Emergency Response* Program prior to satisfaction of all needs occurs, the District Administrator may appeal to the Board of Supervisors to utilize reserve funding. Each fiscal year shall be kept separate for allocation of *Emergency Response* Program funds. Local cities pursuing emergency response reimbursement shall first exhaust all other applicable state and federal flood recovery funding resources such as FEMA Hazard Mitigation Assistance, FHWA Emergency Relief, Department of Ecology funding, or any other such agency funding available before this funding source is utilized. River (stage) flood fighting activities to protect and/or reduce damage to critical facilities (as defined in these Financial Policies) shall be an allowable reimbursement with authorization from the Board of Supervisors.

¹ Use of FCZD funds for maintenance is limited to facilities located in unincorporated Chelan County.

² A Critical Facility, as it relates to the Emergency Response Fund, is limited to publicly owned transportation facilities (bridges, and roads) and structural flood control facilities.

Qualifying Flood Events for Reimbursement

For the purpose of maintaining consistency in the allocation of FCZD funds and resources, flood damage events shall be considered “qualifying” for District financial assistance only if a flood damage event is the result of natural hydrologic occurrences. Damage resulting from failures of irrigation, potable water, or sanitary sewer facilities **shall not** be eligible for FCZD assistance.

For the purposes of defining the scope of FCZD activities and investments, the following engineering parameters shall provide the minimum threshold for District reimbursement:

A) Flash-Flood Events

- i. Precipitation intensities & durations --> location-specific 25-year MRI/24-hr or 25-year MRI/3-hr storm
- ii. Rain-on-snow events resulting in peak runoff --> location-specific stormwater design runoff rates
- iii. Rapid areal snowmelt resulting in peak runoff --> location-specific stormwater design runoff rates

B) Stage-Flood Events

- i. River/Stream flood stage above 5-year MRI (gauged streams)
- ii. Stage flooding resulting from --> 25-year location-specific MRI/24-hr storm (non-gauged streams) or water level above existing/average bank-full conditions

For flood damage events that result from a combination of one or more of the above natural hydrologic occurrences, or where exact data is unavailable in areas that receive flood-related damage (e.g. post-fire flooding) , eligibility for FCZD involvement in remediation/recovery efforts for such events shall be determined based on the professional judgment of the District’s Administrator.

Reserve Fund

The FCZD should strive to keep a reserve fund to assist in all program categories. Specifically, the *Emergency Response Program* or unforeseen opportunities such as match requirements for grants or capital expenditures. This fund will be separate from the cash reserves of the FCZD meant to be utilized for minor budget balancing and cash flow of the program.

Leverage Fund

On an annual basis, the Board of Supervisors may consider allocation of a portion of the Districts levy revenue into a Leverage Fund account. This fund can be made available to qualified applicants throughout the District for flood control studies, education and outreach, and/or capital projects. All funding is awarded through an application process outlined in “Regional Leverage Fund Application Packet” found on Chelan County’s FCZD website.

UPDATE TO THE FINANCIAL POLICIES:

The FCZD Board of Supervisors will review and update, if needed, these policies on an annual basis to determine if any revisions are needed to ensure proper alignment with the policies within the *Comprehensive Flood Hazard Management Plan*. This review and update may be accelerated to less than an annual basis based upon a flood that poses an imminent threat or has occurred, which impacts human life, health and safety, and/or critical facilities identified in these Financial Policies.

Dated at Wenatchee, Washington this 13th day of November, 2017.

CHELAN COUNTY FLOOD CONTROL ZONE DISTRICT

BOARD OF SUPERVISORS



Keith W. Goehner
KEITH W. GOEHNER, Supervisor

Kevin Overbay
KEVIN OVERBAY, Supervisor

Doug England
DOUG ENGLAND, Supervisor

ATTEST: CARLYE BAITY

Carlye Baity
Clerk of the Board

Date: 11-13-17