

CHAPTER 12

FUNDING STRATEGY

Given sufficient available funds and stakeholder acceptance, the ideal flood hazard mitigation strategy would be to address those flood issues that generate the most public and private burden or impacts. However, implementation of flood mitigation measures is altered by the ability to absorb their costs and obtain public and agency agreement, which also has associated costs. The majority of floodplain development costs are ultimately borne, or mitigated, by the local government and landowners based on available resources and properties protected.

Implementation of flood hazard mitigation requires a funding strategy commensurate with available resources. A short term and long term strategy is required for each community. For existing flooding problems that affect large areas, mitigation requires partnerships and collaborative efforts for funding and implementation. An awareness of overlapping mandates is required to allow joint funding of projects for joint benefits. This cooperative approach recognizes the interests of multiple landowners and jurisdictions plus the constraints placed by funding and non-funding agencies. The ongoing replacement of an agricultural infrastructure with urban development and infrastructure will be required in a manner that preferably relieves flooding and does not further contribute to flooding.

As noted in Chapter 11, the measures which provide the least community exposure and the most community control are the planning and regulatory tools and measures recommended in the plan. Without planning revised to utilize the additional information in this plan, future floodplain development can increase costs, through future damages and flood insurance for business and residences that are not effectively returned to the community.

Competition for flood projects exists for all available funds, and between flood projects. For example, the projects of this CFHMP compete for funding with projects in the other three CFHMP areas of Yakima County, several dozen CFHMPS in other areas of the State, periodic emergencies and disasters, and maintenance of flood protection structures. The high priority recommendations within this plan cost approximately \$5 million. As the current funding mechanism for the County-wide Flood Control Zone District generates funding amounts sufficient for mitigation planning, such as this plan (Chapter 10), and for grant match for a very small portion of the flood issues already identified in the County, the local governments (the City of Yakima, the City of Union Gap and the County) will need to prioritize and choose from Chapter 11 the types of actions or projects that will effectively reduce damages and community costs to current and future residents.

INVENTORY AND STUDY FUNDING

The plan has identified several significant inventories necessary to improve flood hazard awareness and decision-making that may also modify current priorities. Several of these inventories and studies are being funded first and should continue to increase awareness and target efforts. They can potentially modify the effectiveness of all the other recommendations. One inventory/ study being completed shortly is for the new FEMA flood maps funded jointly by FEMA and the FCZD. Many others are already in progress and are being integrated with existing Flood Control Zone District, county, or city programs to provide multiple benefits. Examples include:

- Identify sediment removal locations, including bridges and channels
- Sediment removal guidelines, meeting flood and habitat requirements
- Bridge inventories (change how inventories occur and are ranked)
- Bridge flood design guidelines (develop principles for bridge design in these basins as a part of the next bridge design process)
- Emergency Response Routes (incorporate into disaster response planning and transportation planning processes)
- Studies of sediment aggradation at Union Gap (already recommended in another CFHMP and in process).

The above studies are currently funded through the FCZD and can be achieved over time through cooperation with partners and integration of existing efforts.

PLANNING AND REGULATORY FUNDING STRATEGY

Flood water routes and overflow paths in the Wide Hollow and Ahtanum basins are widespread and changeable due to the floodplain physiography. As noted in chapter 11 the use of structural measures and projects typically used elsewhere, are less effective in alleviating flooding in these basins due to the relatively large areas of shallow flooding and the multiple, interconnected flood flow paths.

Planning and Regulatory revisions are the least expensive and most effective flood reduction recommendations. They can reduce flood insurance premiums. Where protection (either changing or maintaining current land use) of areas adjacent to streams or overflow areas would also have water quality benefits, or implementation of best management practices would have flood hazard reduction benefits, there are funding sources which could be tapped for the joint purpose. Where the community determines that retention of agriculture, or open space, as a public benefit is a priority in areas of high flood hazard, there are numerous programs that can be used to:

- retain agriculture through fee-simple or easement purchase
- acquire and develop (for public purposes) open space
- acquire and restore fish and wildlife habitats or improve water quality.

Planning and regulatory actions are ongoing and focus on the elements of the Growth Management Act – from individual permit decisions to development of County-wide Planning Policies that guide the overall development in the Cities and the County of Yakima. The Planning Departments of the jurisdictions have the tools to enact many of the plan recommendations within existing processes. The FCZD has been, and will continue to be involved in these processes with the jurisdictions, state, tribal and federal agencies on an ongoing basis for the foreseeable future. Currently Surface Water Division has staff involved in activities to support the local jurisdictions.

ONGOING MAINTENANCE AND MANAGEMENT STRATEGY

Funding for flood issues of an ongoing nature (typically annual) such as channel and bridge maintenance, maintaining and improving flood mapping data, management of flood control structures or property retained in open space classification require a continual dedication of staff and resources by local jurisdictions, and in some cases, private entities. As funds for these types of projects generally cannot be obtained through capital improvement grants they must be prioritized and compete with other local government priorities and requirements for available resources, particularly staff.

Public and private irrigation districts and companies will play a significant role in management of the flow of water, and therefore flood hazard, within the Ahtanum/Wide Hollow watershed. These entities may be particularly sensitive to either new regulatory or requirement or changes to traditional management practices to reduce flood hazard. Securing funding to reduce both overall management costs and flood hazard associated with irrigation diversion and delivery systems should be an emphasis in this plan. Projects that also reduce water use, improve water quality or improve fish passage will be much more likely to be funded than either stand alone irrigation system or flood hazard improvement projects.

Where management of irrigation delivery systems would result in water savings or increases in water use efficiency as well as reduction of flood hazard, there are several funding sources available to implement flood hazard reduction and water conservation projects. Where land management strategies that reduce flood hazard can also improve water quality and fish and wildlife habitat, funding can be also oftentimes be secured.

STRUCTURAL FUNDING STRATEGY

Six existing problem areas and related structural projects have been identified. While these projects are structural in nature, they for the most part, do not include construction of flood control facilities, such as levees. Most of these structural projects seek to solve the flooding and often-related habitat problems through relocation of the Creek, or alteration of existing infrastructure that increases flood risk.

Costs for structural projects are typically high. Funding augmentation sources for capital projects are well documented in Chapter 10 of the 2007 Upper Yakima CFHMP update. That

chapter also provides the background funding structure for the FCZD. The availability of Federal or State money for capital projects can only be secured through competition with other jurisdictions and cannot be relied upon for a long term basis. Most capital funding jointly requires habitat, watershed, and water quality or water quantity benefits. When these additional criteria are included in a project selection process, high priority projects more are more often limited to main stem rivers. Flood hazard reduction actions in main stem rivers often protect major flood (levees), water (diversions) or transportation (highway) infrastructure and also affect the habitat for larger fish populations.

While the size of Ahtanum and Wide Hollow Creeks do not allow for large fish populations, proportionally there are significant areas of high density urbanization, transportation networks, and flood infrastructure that should qualify the six problem areas in the Plan for some types of capital grant funding. In general, projects on the Ahtanum will need to be more environmentally friendly types of solutions due to the presence of ESA-listed fish species in that basin. The Yakima Countywide Flood Control Zone District has been fairly successful at competing for structural or capital grant funds where the projects' funding provides multiple benefits, or the flooding problems are chronic such as the Emma Lane 42nd Avenue project funded through federal Hazard Mitigation Funds. However, the FCZD funding source is extremely limited and continuation requires grant match including that from the community affected.

Another area that the FCZD has been very active in is the watershed, water supply and habitat initiatives that occur at the Yakima and Columbia Basin scales. Funding from these programs can also provide flood benefits.

PUBLIC OUTREACH FUNDING PLAN

Public Outreach activities have been taken on as a responsibility of the FCZD and Emergency Management Division. Currently, these activities are done mostly on an as-requested basis, as a part of annual events (i.e. Central Washington State Fair, home shows), or as an outgrowth of other activities related to project development, grant requirements, or participation in a variety of planning, regulatory and ordinance development programs. Most of the staff resources devoted to this task by the FCZD is currently working on the development of CFHMPs and the multi-hazard plans. Once these plans are completed the FCZD, in cooperation with other partners, will develop an actual public outreach plan for flood hazard reduction. The Public Outreach activities need to be shared with the local jurisdictions.

FLOOD RESPONSE FUNDING

The FCZD, in cooperation with the Emergency Management Division, will continue to implement improvements to the Flood Response Plan. The FEMA County multi-hazard plan, which includes the flood response plan and flood hazard mitigation projects is updated regularly. This participation increases the ability of the flood response components in this plan to receive funding assistance.

FLOOD CONTROL SUB-ZONES

The regular levy currently funding the Yakima County-wide FCZD has limitations in addition to the cap of 50 cents per thousand dollars of assessed valuation. Washington has a regular property tax limitation of 1 percent of a parcels' fair and true value. Within this tax limitation of ten dollars per thousand dollars of assessed value, the combined levies for cities, counties and junior taxing districts are limited to \$5.90 per \$1,000 of assessed value.

Flood Control Zone Districts are considered to be junior taxing authorities, so their levies are reduced if more senior authorities bring property taxes up to the maximum allowed. At this time the FCZD can collect less than the currently authorized 10 cents per \$1,000 of assessed valuation due to seniority issues. The FCZD, which requires funding for planning and levee maintenance does not have sufficient funding for the recommendations in this area plus the others in the County as the high priority recommendations in this CFHMP exceed \$5 million dollars.

The CFHMP objectives included consideration of sub-zones, as allowed by RCW so that levies can be raised to fund projects within the sub-zones.

FCZDs can use several different funding mechanisms, including the following:

- A regular levy requiring authorization by the supervisors. The maximum amount that can be levied is 50 cents per \$1,000 of assessed valuation. (RCW 86.15.160)
- An excess levy as a property tax requiring annual voter approval. This type of levy does not fall under the constitutional and statutory limitations of regular levies. An excess levy is based on property value and would not affect existing County revenues. The levy, if approved annually by voters, can generate substantial revenue for overall surface water management or flood control. However, considerable cost is involved in making voters familiar with the issues on an annual basis, and there is no certainty of funds from year to year. (RCW 86.15.160)
- Assessments. (RCW 86.15.160)
- Service charges including public entities. (RCW 86.15.176)
- Local improvement districts (LIDs). (RCW 86.15.160)
- May create subzones which are operated as flood control zones. (RCW 86.15.025)
- Revenue and GO Bonds (RCW 86.15.178 and RCW 86.15.170 respectively)
- Stormwater fee charges, including public property. (RCW 86.15.160)
- Voluntary assessments for flood or stormwater control. (RCW 86.15.165)

LOCAL FUNDING STRATEGIES

Below are additional funding options for local jurisdictions that are available through State legislation.

Local Improvement Districts

Local improvement districts (LIDs) allow jurisdictions to issue bonds for the cost of improvements and to recover the cost through assessments based on “specially benefiting” property. Special benefit is defined by the increased property value that results from the improvements.

For water and sewer improvements, properties are considered specially benefiting when they are physically connected to, or have the ability to physically connect to, the sewer or water system. For drainage improvements, it is often difficult to demonstrate special benefit because there is generally no physical connection and property value often is not directly affected by the existence of a drainage system, except where flooding is frequent. Moreover, property at the top of a hill does not specially benefit from drainage improvements, but it does contribute to the surface water problems. Property at the bottom of the hill sees a more positive effect from the drainage improvements, even though it contributes only a portion of the runoff.

LIDs have been used to finance water supply, sanitary sewers, and storm drains when all three utilities are needed in an area. An LID might be appropriate for construction of a facility to serve several properties where the runoff contribution and benefit are similar.

Surface Water Utility

Under RCW 36.89 the County can create a County-wide utility that is implemented on a basin-by-basin approach. The underlying concept of a surface water utility is that all properties contribute surface water runoff to the drainage system and should pay an equitable share of the system’s O&M and capital costs. Schools, churches, and other tax-exempt properties, as well as public entities and public property, are subject to the same rates and charges as private properties.

The formation of a surface water utility would provide a continuous and reliable funding source to pay for both capital improvements and ongoing maintenance and operating costs. The primary disadvantage could be a public perception that a new charge is being imposed for a service already being provided. This approach has been utilized in western Washington Counties such as King and Pierce counties.

There is currently a stormwater utility for NPDES Stormwater Permit within the urbanized area of the county. This utility is focused on water quality not water quantity issues.