

Report of the Snohomish County Executive's  
Ad Hoc Advisory Panel for the  
Surface Water Management Utility Business Plan

January 23, 2018

## Table of Contents

| <u>Item</u>  | <u>Page</u> |
|--|-------------|
| Executive Summary  | i           |
| Introduction   | 1           |
| Panel Process Overview   | 1           |
| Recommendations Discussion   | 3           |
| The Panel's Recommended Service Enhancements   | 10          |
| Funding the Baseline and Recommended Service Enhancements                                | 16          |
| Significant Policy Issues for the Future of SWM  | 18          |
| Closing Recommendations  | 20          |
| Conclusion   | 20          |
| Exhibits:  |             |
| A. Panel Members/affiliation   | 21          |
| B. Staff and Consultant Team Members   | 23          |
| C. Initial Service Recommendations Matrix (all 37 items,<br>as initially rated by Panel) | 25          |
| D. Minority Statements   | 37          |

**Report of the Snohomish County Executive's  
Ad Hoc Advisory Panel for the  
Surface Water Management Utility Business Plan**

January 23, 2018

**Executive Summary**

Snohomish County is blessed with an extensive system of rivers, lakes, streams and wetlands that are a beautiful and treasured part of our communities. These natural systems are also extremely valuable to our economy. In the last 150 years, as development has occurred, these systems have been under growing pressure. With accelerated development in the last decade or so, the problems are increasingly apparent. We see regular flooding and drainage problems, declining water quality in many of our water bodies, and greatly reduced fish populations. County government's ability to address these problems is challenged by the sometimes competing goals of development versus preservation, the cost of preventative measures, competition for available resources, and the scale of existing infrastructure problems needing remediation. Yet without effective actions, our character as a community will lose many aspects dear to those who live and do business here.

The Snohomish County Executive created the Ad Hoc Advisory Panel for the Surface Water Management Utility Business Plan ("Panel") in August of 2017 and charged it with providing input and advice into the development of the Surface Water Management Division's strategic business plan.

The Panel consists of sixteen members representing a diverse set of stakeholders including business owners, residential homeowners, other utilities, Tribal representatives, farmers, and other special interests. It met nine times from September 2017 through January 2018, and was supported by Surface Water Management Division ("SWM") staff and an outside consulting team including an independent facilitator. The Panel received briefings on SWM's operations, revenues, rates, current and projected service demands and a wide range of possible service enhancements. It also reviewed the results from peer agency benchmarking analyses, gap analyses, stakeholder interviews, and an extensive survey of all SWM employees.

The Panel finds that surface water issues are of significant importance to our community. They present public health and safety issues, are closely intertwined with the survival of salmon, steelhead, orcas, shellfish, and other marine life, all of which have natural, social and economic ramifications. Taken together, proper management of

surface water issues is critical to maintaining the environment many people value about Snohomish County, and the economy that sustains the region. SWM is the County's agent to carry out these activities.

SWM rates have not increased since 2009. Over the last nine years, SWM services have been cut back, and current levels are being maintained by dipping heavily into reserves. When taking into account inflation, rapidly growing population and development,, we are in a situation where either a significant increase in the SWM rate is needed to maintain current service levels and meet regulatory requirements, or SWM's service offerings will need to be further reduced. Revenue from new ratepayers has simply not kept pace with growing costs of service in an urbanizing landscape and of meeting evolving federal water quality requirements.

To maintain the current baseline of SWM programs and meet regulatory requirements, would require an increase of \$29 a year in 2019 to current residential SWM rates. This would be a 24% increase for urban residents, and a 32% increase for rural residents. Under current rate structures, commercial ratepayers would face a commensurate increase, depending on whether they are in the rural or urban area.

The Panel recommends that SWM be funded at a level necessary to fund current baseline activities and to ensure that we do not lose ground in keeping people safe and our waters healthy. In support of this, the Panel recommends fifteen (15) service enhancements covering a range of activities in support of SWM's mission.

| <b>The Panel's 15 Recommended Service Enhancements</b> |   |
|--|---|
| <b>Category: Monitoring Activities</b>                 |   |
| 1.   | Upgrade 13 current gauges to ensure all County flood gauges provide real-time flood monitoring  |
| 2.   | Add 5-6 additional precipitation gauges and 3-5 additional river/stream gauges  |
| <b>Category: Identifying Needs</b>                     |   |
| 3.   | Update flood plans  |
| 4.   | Complete the identification of fish blocking culverts within County road rights of way (including driveway culverts within the right of way) within 3 years |
| 5.   | Plan for more habitat and floodplain capital projects   |
| 6.   | Develop steelhead recovery plans  |
| 7.   | Fully implement a response plan for improving conditions in degraded shellfish beds in the Stillaguamish Tribal area, working with partners                 |

**Category: Improve and Protect Systems**

- 8. Replace drainage pipes prior to failure, at the rate of five (5) additional projects per year
- 9. Provide water quality treatment for County road drainage (2.5 miles/year)
- 10. Replace an additional 3-5 fish passage barriers per year
- 11. Proactively identify and reinforce County-owned levee and dike hazard areas
- 12. Assess older pipes and road crossing culverts every 10 years

**Category: Help People**

- 13. Proactively screen for toxic algae at five to six problem lakes and post signage at these sites
- 14. Provide area or basin specific education and outreach
- 15. Provide increased technical assistance to residents to implement practices to protect habitat/water quality for lakes, rivers, streams and marine shorelines

The Panel recommends that these fifteen enhancements be phased in over a few years in order to moderate the rate of growth in SWM charges needed to fund them. When fully implemented, these enhancements would add about \$6.5 million a year to the SWM budget. With inflation, these enhancements would increase residential per parcel SWM rates by an additional \$43 a year, for a total estimated residential per parcel SWM rate in 2024 of \$182 a year (in both urban and rural areas), assuming the urban SWM surcharge sunsets per County code in 2021. Under current rate structures, commercial rates would rise commensurately.

To avoid future rate shocks, the Panel recommends that the County adopt a practice of ensuring SWM rates rise gradually over time, after first acting to address the shortfalls in baseline funding. If the County had slowly but steadily raised SWM rates since 2009, an average rate increase of 3% per year would have been sufficient to support 2018 baseline activities (defined as current service levels and actions required to meet regulatory requirements).

The Panel supports exploring funding structures beyond SWM charges, including a re-examination of current contributions from the County Road Fund. The Panel also supports continued emphasis on partnerships and ensuring funding is in place for emerging issues.

The Panel encourages the County to more aggressively address water quality and flooding issues at the planning and permitting stage and to improve coordination between permitting, land use and SWM.

The Panel recommends SWM develop more robust metrics on the outcomes of its programs: this is critically important for the County to know which programs are the

most effective over time at improving conditions on the ground. Metrics are also necessary to demonstrate positive results from the public's investment in SWM activities and to be better positioned to secure future grants.

The Panel supports expanded communication with ratepayers about the work of SWM, and encourages the County to continually seek efficiencies in SWM's operations. The Panel asks to be reconvened within the next year to hear an update on the status of SWM's strategic business plan, budget, rates and services.

**Report of the Snohomish County Executive's  
Ad Hoc Advisory Panel for the  
Surface Water Management Utility Business Plan**

January 23, 2018

**Introduction**

Surface Water Management (SWM), a division of the Snohomish County Public Works Department, is developing a "Utility Business Plan" to identify the scope of services it will provide moving forward, and align future revenues and utility rates to provide those services. Development of this strategic business plan will help implement the County Executive's Service, Technology, Excellence Program (STEP) to improve customer service and increase the efficiency of County services. The County Executive created the Ad Hoc Advisory Panel for the Surface Water Management Utility Business Plan ("Panel") to provide advice and input into the development of the SWM business plan. This report presents the Panel's recommendations.

**Panel Process Overview**

The sixteen (16) member Panel was convened by the County Executive in August of 2017. Members' names and affiliations are set forth at **Exhibit A**. Our purpose statement is as follows:

The purpose of the Surface Water Management (SWM) Business Plan Ad Hoc Advisory Panel is to provide advice and input into the development of the SWM Utility Business Plan. The Advisory Panel will review SWM's operations, revenues, current and projected demands for service, and options for future service delivery and revenue recovery. The Panel will submit a letter of recommendations to the County Executive with respect to the final Utility Business Plan.

The County Executive appointed Dave Gossett and Mark Craven as Chair and Vice-Chair, respectively, of the Panel. The Panel was supported by SWM staff and a consultant team including an independent facilitator. Members of the staff and consultant team are identified at **Exhibit B**.

Panel members represented a broad range of stakeholders and Tribal government representatives with diverse backgrounds, varying knowledge about SWM operations,

and different opinions about how SWM should move forward. Some of us are very well versed in SWM programs and operations; others came to the table with experience interacting with SWM on one or two specific programs; others are ratepayers—business owners, residents—that have no particular experience with SWM except as ratepayers.

We met nine times as a Panel, for two hours each, from September 2017 through January 2018. In addition, Panel members provided input through work completed outside meetings.

Early on in our process, we adopted a charter to guide how we made recommendations. Our charter defines a “consensus” recommendation as one garnering not less than 80% support of those voting; a simple “recommendation” requires support of between 60-79% of those voting. The charter further provided that members could offer short minority statements, to be included in this report, on issues where they particularly disagreed with the group’s recommendations or wished to provide additional emphasis.

The Panel did not conduct a separate public outreach process, but had the benefit of seeing the results of key stakeholder interviews and a detailed survey of all SWM employees.

Overall, the Panel process was fairly accelerated and did not include sufficient time for deliberation on all issues that will be part of SWM’s strategic business plan. As a result, our focus was limited to the scope and level of services that SWM should provide going forward. We have not seen the draft strategic plan still under development by the Division.

In developing our recommendations, we reviewed SWM’s current programs and rates and stakeholder and employee input. We then considered 37 potential service enhancement concepts developed by staff based on input from stakeholders and employees. These proposed service enhancements fell into five general categories:

- Monitoring conditions
- Identifying needs
- Improving and protecting systems
- Enhancing operations and maintenance activities
- Helping people – outreach and education

We rated these 37 potential enhancements to SWM services over the course of two meetings, and then significantly scaled back our recommendations to address concern about the impact on SWM rates. As presented in this report, we recommend fifteen (15) service enhancements for action.



## Recommendations Discussion

### A. The Value of SWM Services to Snohomish County—residents, businesses and the natural environment

Snohomish County is blessed with an extensive system of rivers, lakes, streams and wetlands that are a beautiful and treasured part of our communities. These natural systems are also extremely valuable to our economy. In the last 150 years, as development has occurred, these systems have been under growing pressure. With accelerated development in the last decade or so, the problems are increasingly apparent. We see regular flooding and drainage problems and declining water quality in many of our water bodies, and greatly reduced fish populations. County government's ability to address these problems is challenged by the sometimes competing goals of development versus preservation, the cost of preventative measures and competition for available resources, and the scale of past infrastructure problems needing remediation. Yet without effective actions, our character as a community will lose many aspects dear to those who live and do business here.

We believe the work of SWM is essential to public health and safety and the economic prosperity of Snohomish County, and that SWM is a key steward of our environment. SWM programs address basic life safety issues through management of the County's stormwater, drainage infrastructure, mitigation of flood risks, monitoring of river levels and study of changing river conditions. SWM works in coordination with its partner cities, Tribes and others to improve water quality in our lakes, rivers and streams, as well as Puget Sound. Healthy water quality is essential to human health and the health of our environment and helps to support our local economy. All residents and businesses benefit from these efforts. SWM's programs are also critical to the restoration of salmon and other fish species in the waters of Snohomish County.

#### **SWM's Mission**

*"To work in partnership with the community to protect and enhance water quality and aquatic habitat, minimize damage from flooding and erosion, and to preserve water resources for future generations."*

Today, SWM finds itself in a situation where conditions on the ground are slowly deteriorating in key areas of SWM's core mission. The challenge facing SWM is the lack of financial resources, combined with rapidly growing service population and increasing development. It is difficult to be precise about the trend lines on outcomes from SWM's programs as there are few metrics available. In some areas—lake management, for example—there have been notable successes. Overall, however, the consensus of the

Panel members is that without significantly increased investment we will slowly lose ground in key areas.

## **B. Current Funding Levels**

SWM rates have not been increased since 2009, while general inflation for the region from 2009 to 2017 was over 17%. While SWM is to be commended for its work to efficiently provide services over this period, the current situation is not sustainable. SWM's inflation experience is higher than general inflation, due to growth in the cost of employee healthcare and capital project construction. Because rates have not increased, SWM's programs have been gradually cut back since 2009. At this point, the shortfall in SWM's operating budget is funded by drawing heavily on dwindling reserves.

Current funding levels are insufficient to support any significant capital improvements to either preserve or expand infrastructure. The 2009 rate increase funded the significantly increased compliance requirements of the 2007-2012 National Pollutant Discharge Elimination System ("NPDES") permit, which supports valuable programs and improvements to water quality all across the County. Since 2009, NPDES requirements have expanded. As costs inflated over time, non-NPDES programs have been cut back in order to continue to fund mandatory NPDES requirements.

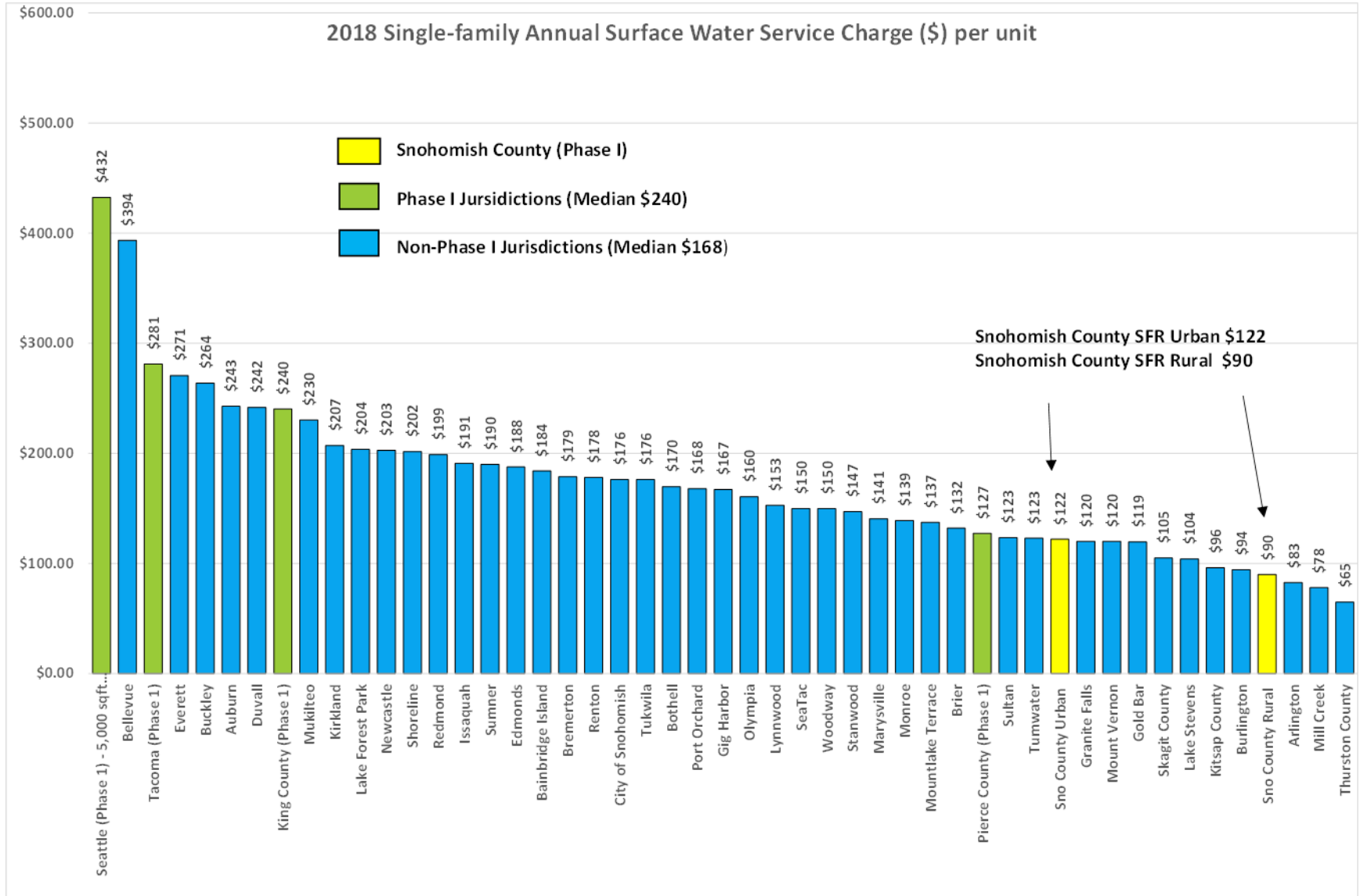
There is an enormous sunk investment in SWM's aging infrastructure, which includes 1,000 miles of drainage pipes and road culverts, and thousands of detention ponds and other drainage facilities. This infrastructure has been funded largely by ratepayers. The public's investment must be preserved. It is often less expensive to perform quality maintenance on an ongoing basis than to have to pay for major retrofit or replacement of facilities. Timely maintenance also assures ongoing water quality treatment performance. Taking steps to avoid potentially catastrophic infrastructure failure is a basic management practice to protect life, property and the environment. At this point, the SWM budget can no longer reliably support these basic best practices.

How do SWM's fees compare with other jurisdictions? Simply put, the County's 2018 SWM rate for single family residential homes is one of the lowest in the region. At \$90 a year for parcels in the rural areas, and \$122 a year for urban area parcels<sup>1</sup> it is well below half of the median fee of \$240/year per residential parcel imposed by other Phase 1 NPDES jurisdictions. And, it is also well below the median rate of \$168/year per residential parcel imposed by Snohomish County cities and other Puget Sound jurisdictions surveyed who face less stringent NPDES regulations. See **Figure 1**.

---

<sup>1</sup> Residential ratepayers in the Urban Growth Area currently pay a surcharge on this rate of \$32 a year, for a total residential rate in urban areas of \$122. That surcharge will sunset at the end of 2021 under current County code.

**Figure 1**



**The Panel recommends that the County approve a 2019 budget that will fully support SWM's baseline activities**—which we define as maintaining current service levels and funding firm regulatory requirements, including NPDES compliance (current requirements and anticipated increases in these requirements). **We also recommend additional funding, as outlined further in this report.**

The cost in 2019 to support current baseline activities is estimated to require a residential per parcel SWM rate increase of \$29 a year. This would result in a residential per parcel SWM rate of \$151 in urban areas, a 24% increase<sup>2</sup> and a rate of \$119 a year in rural areas, approximately a 32% increase. Under current rate structures, commercial rates would rise commensurately with these residential rates.

After nine years without rate increases during which the County has experienced substantial population growth and increasing regulatory requirements, a rate increase of this magnitude is to be expected.

With inflation and growth in demand for services, the cost of supporting the baseline will grow over time. The financial modelling estimates that an annual per parcel residential rate of \$139 would be needed in 2024 to support the *baseline*. This rate would apply to all residential customers (urban and rural) when the current urban SWM surcharge sunsets at the end of 2021 per County code.

It is important to note that NPDES permit requirements for 2019-2023 are as yet unknown and could increase the baseline costs beyond these estimates.

Beyond restoring the baseline, the Panel recommends that the County take steps to ensure funding levels not stagnate moving forward – that we not again find ourselves in a position in a few years where a large rate increase is necessary just to maintain existing services. Inflationary pressures will continue. To avoid future rate shocks, the Panel recommends that the County adopt a practice of ensuring SWM rates rise gradually, after first acting to address the shortfalls in baseline funding. If the County had been slowly but steadily raising SWM rates since 2009, it would have required only about a 3% per year increase to fund current programming and meeting regulatory requirements.

### **C. Beyond the Baseline: Recommended Service Enhancements**

As noted above, SWM's efforts have resulted in success stories in some specific locations, however, we understand that overall baseline service levels are insufficient to

---

<sup>2</sup> Approximately 59% of SWM ratepayers are in the urban area.

prevent future deterioration in terms of addressing aging drainage infrastructure, worsening water quality, loss of critical habitat, and maintaining effective flood control. We believe we can and must do better. We spent much of our time as a Panel deliberating on whether to recommend service enhancements above the baseline, and if so, which enhancements to recommend.

### ❖ **Key Inputs, Considerations and Assumptions**

Towards creating a balanced recommendation, the Panel looked at several types of information.

A series of stakeholder interviews and a detailed survey of all employees, both commissioned by SWM and conducted by the consultant team, were important for giving us an understanding of broader interests and demands. The stakeholder interviews indicate strong demand for enhancing SWM services in many areas. Similar results were found in the employee survey results.

Most of the Panel members are SWM ratepayers, and we will be directly impacted by the outcome of this effort. We struggled with the desire to support many service enhancements while at the same time being concerned about financial impact on our families, neighbors and local businesses.

Our primary cost metric was the impact on residential ratepayers of proposed enhancements, in large part for the simplicity of this rate structure and ease of comparison with other agencies. However, it is important to understand that about 43% of SWM's rate revenues come from commercial ratepayers—whose rates would, under current rate structures, increase at a commensurate rate with residential rate increases. The County Roads Division is the single largest commercial ratepayer; less the revenue from Roads charges, commercial accounts provide 27% of all SWM rate revenue. We did not have opportunity to consider changes to rate structures, but clearly the impact on the business community from our recommendations needs additional attention.

We also struggled with the scope and scale of many proposed enhancements. For example, where SWM is making slow progress over decades on a task, is it worth pursuing, accelerating, or should we focus scarce dollars elsewhere? Or, does it make more sense to scale some large projects back to allow slower, broader progress across more areas? We did not have time to make recommendations on how to resolve this quandary, but we recognize the real challenges in implementing programs where outcomes may take over a decade to be realized.

Another challenge was the lack of a robust set of longitudinal metrics on the benefits of SWM programs, which made it difficult to decide which programs would be most

beneficial. The Panel believes decisions on application of SWM funds should be data-driven. Our recommendations are based on the information available to us. We recognize that it can be challenging to develop metrics to measure progress of specific actions in a complex natural system. We must be strategic about what to measure: not all data points are relevant, and metrics should not consume all resources. However, metrics are critically important for the County to know which programs are the most effective over time at improving conditions on the ground. Metrics are also necessary to demonstrate positive results from the public's investment in SWM activities, and to be better positioned to secure future grants. SWM must identify and focus on the most relevant existing data to tell its story, and add to its outcomes measures over time.

*Please see **Minority Statement #1** in **Exhibit D*** for further discussion of the importance of metrics. The Panel recommends not delaying implementation of our recommendations while awaiting progress on metrics—a lot can be done with information that is currently available.

Related to metrics, it is important to us that SWM invest in developing plans that can enable it to better understand conditions and accordingly prioritize future capital and operating investments.

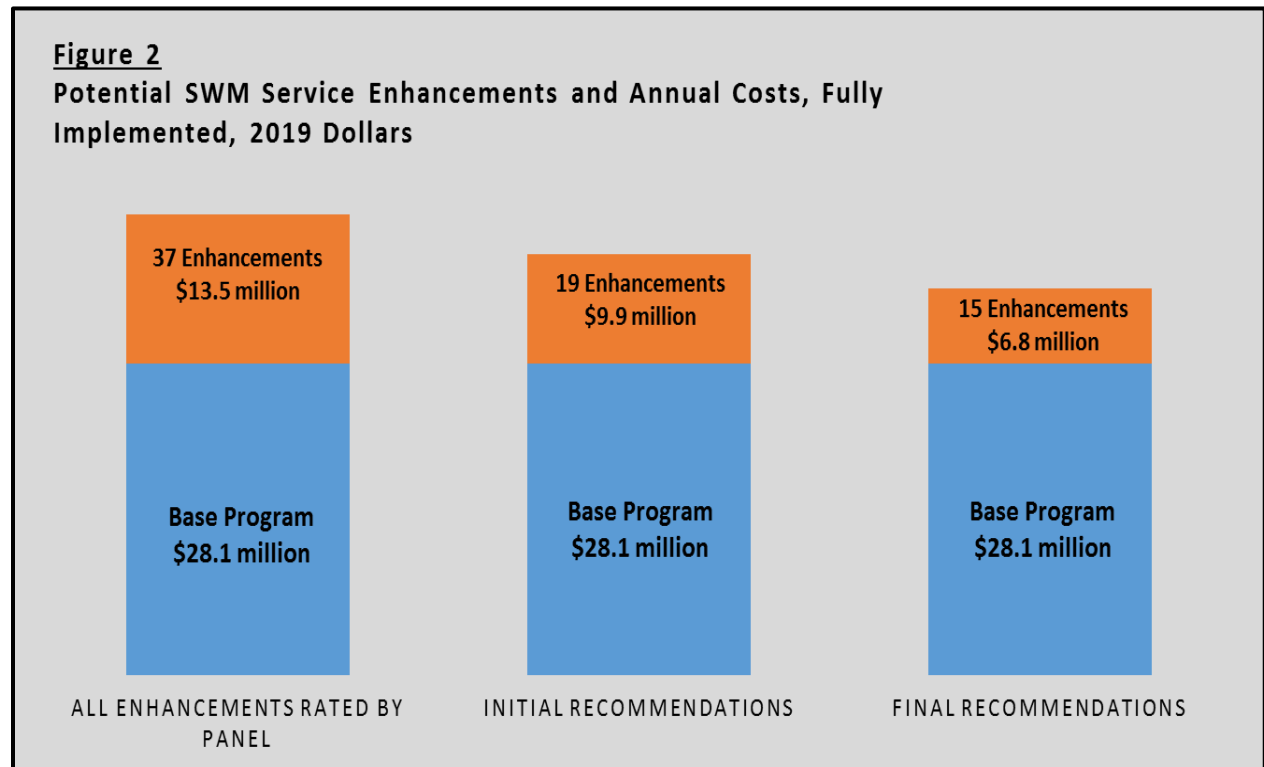
Public support is critical to successful outcomes for SWM programs and the types of services SWM provides. The County must build public support for SWM programs in order to gain acceptance of the rate increases required. For this to happen, benefits of SWM programs must be visible to the public. This means increasing emphasis on visible capital projects and on public health and safety projects, and communicating with ratepayers to demonstrate SWM's progress and the value that SWM's programs provide. It also means supporting programs that directly engage residents, specifically, education and technical assistance: these programs have been cut back in recent years.

Overall, our recommendations seek to preserve the public investment in SWM's aging drainage pipe systems and other infrastructure, and shore up existing programs to continue keeping the public safe and our waters healthy.

#### ❖ **Developing the Recommended Service Enhancements**

SWM staff leadership used the stakeholder interviews and employee survey results, together with their own professional experience and judgement, to develop a series of 37 potential service enhancements for our consideration. For each proposal, staff provided us a high level analysis of the cost, the environmental benefit, public health and safety benefit, and stakeholder demand.

In our initial review, over 75% of these 37 enhancements were supported by at least 60% of the Panel members voting. Half of the enhancements were supported by 80% or more of the Panel (“consensus” level support per our charter). This strong support for SWM service enhancements reflects both the input from stakeholders, employees and our own views. The initial rating results, and the high level staff analysis of each proposed enhancement, are presented at **Exhibit C**. After reviewing the cost impacts of these initial ratings, the County Executive and County Council asked us to scale back our recommendations. The Panel agreed that given the magnitude of the cost increase that would result from implementing all the initially endorsed projects, it was necessary to further prioritize our recommendations. We decided to focus on the items initially receiving 80% support. In a second rating exercise, 12 of the original 18 “consensus” items were approved. In follow-on discussion, we agreed to add three (3) additional items for a total of 15 recommended service enhancements. See **Figure 2**.



The results of the re-prioritization exercise and follow-on discussion are presented below. It is important to understand that Panel members support many additional service enhancements (See **Exhibit C**), but given concern over costs, we worked to limit our recommendations for near-term action to those presented here.

❖ **The Panel’s 15 Recommended Service Enhancements**

The Panel’s 15 recommended service enhancements are presented below. The recommendations are ordered by category of SWM Division activity. They are not prioritized. Of the 15 recommended items, four (4) are supported at a “consensus” level—at least 80% of Panel members voting. The remaining eleven (11) recommendations are supported by at least 60% of the Panel members voting.

In general, our recommendations prioritize:

- Support for items that protect human life and safety,
- More proactive monitoring, study and replacement of SWM’s infrastructure, and
- Actions to help restore salmon and other fish species.

The total combined cost of these 15 recommended service enhancements is estimated to be \$6.5 million per year. As shown in **Table 1**, if the enhancements are implemented gradually over five years, after accounting for inflation, the residential rate in 2024 would be an estimated \$182 per year for both rural and urban residential parcels.<sup>3</sup> Commercial rates would rise commensurately under current rate structures.

The projected rate increases are substantial but are well within the range of other jurisdictions’ surface water management rates. As shown in **Figure 1**, the projected 2024 residential rate for SWM --including all recommended service enhancements – would be only about two-thirds of the *current 2018* median rate for other Phase 1 NPDES jurisdictions, and less than the 2018 median rate of nearly a third of the other Western Washington jurisdictions surveyed.

**Table 1**  
**Residential Rate Impacts of Baseline Adjustment and**  
**The Panel’s Recommended 15 Enhancements**

| Parcel location | 2018 SWM Rate | 2019 Estimated Baseline Rate | 2024 Rates, with all 15 proposed enhancements plus inflation |              | Total 2024 Residential Rate |
|-----------------|---------------|------------------------------|--|--------------|-----------------------------|
|                 |               |                              | Base   | Enhancements |                             |
| Rural Area      | \$90          | \$119                        | \$139  | \$43         | \$182                       |
| Urban Area      | \$122*        | \$151*                       | \$139  | \$43         | \$182                       |

\*Including \$32/year urban growth area surcharge. This surcharge will expire at the end of 2021.

<sup>3</sup> Assuming all residential rates would be charged on the same basis after the urban growth area surcharge expires at the end of 2021.



It would likely require tripling current SWM rates to address all the problems at hand, but we think that is politically untenable. We must start somewhere. We believe SWM's goal should be to prevent deterioration of conditions and substantially improve drainage systems, water quality, habitat, and flood control. In the face of funding constraints, our recommended 15 service enhancements are a significant first step in this direction. But they are only a first step, and will need to be reviewed and adjusted over time, as we learn more and conditions change.

## The Panel's Recommended Service Enhancements

### Category: Monitoring Activities

- 1. Upgrade 13 current gauges to ensure all County flood gauges provide real-time flood monitoring (M-2)<sup>4</sup>**

*Rationale:* This is a relatively low cost item with a significant potential life-safety benefit.

*Estimated Cost:* \$23K to install; \$2,000/year thereafter to maintain/monitor<sup>5</sup>

- 2. Add 5-6 additional precipitation gauges and 3-5 additional river/stream gauges (M-3)**

*Rationale:* Low cost life safety issue. This will improve ability to track flooding across all major watersheds in the County and understand how these watersheds are changing over time.

*Estimated cost:* \$55K/year 1; \$62K/year thereafter

### Category: Identifying Needs

- 3. Update flood plans (I-11) **Consensus item****

*Rationale:* Many of the County flood plans have not been updated since the 1990s. As river courses change and hillsides continue to erode, what we knew

---

<sup>4</sup> Parenthetical numbers refer to project numbers. See Appendix X for a table presenting all 37 potential service enhancements considered, including project numbers.

<sup>5</sup> Note: All costs presented are in 2018 dollars.

then may not match facts on the ground today. Funding is not available in the baseline to complete these updates. This is a significant life-safety investment: we need to know what is happening, and how best to correct problems before spending scarce public resources.

*Estimated Cost:* \$42K/year for six years to complete updates

**4. Complete identification of fish blocking culverts within County road rights of way (including driveway culverts within the right of way) within 3 years (I-14) Consensus item**

*Rationale:* Baseline funding will not complete this inventory until 2024. The sooner we can identify the most critical blockages, the sooner the County can begin working with its partners to address them and reopen fish habitat.

*Estimated Cost:* \$175K/year for 3 years

**5. Plan for more habitat and floodplain capital projects (preliminary engineering) (I-5)**

*Rationale:* The public should see value for their SWM charges. In many cases, this means showing real change on the ground. Additional planning will help SWM select the most high-value capital improvement projects and be able to implement them as funding becomes available. Planning is also necessary to secure grants.

*Estimated Cost:* \$50K/year

**6. Develop steelhead recovery plans (I-4)**

*Rationale:* Steelhead are already listed as threatened under the federal Endangered Species Act. Acting now before further population decline is the right thing to do for the environment, and is likely less expensive if we act now rather than delay. A planning process will help identify and prioritize investments needed to help restore steelhead populations.

*Estimated Cost:* \$70K/year for five years

**7. Fully implement a response plan for improving conditions in shellfish beds in the Stillaguamish Tribal area, working with partners (I-7)**

*Rationale:* Multiple regional plans identify the importance of this action item. This will provide public health benefits, and addresses an important cultural and economic resources for tribal members and others. It will also improve water quality in affected areas and upstream.

*Estimated cost:* \$200K/year

**Category: Improve and Protect Systems**

**8. Replace drainage pipes prior to failure, at the rate of five (5) additional projects per year (P-3) **Consensus item****

*Rationale:* It is typically more cost effective to address failing infrastructure prior to actual failure; this basic approach to good system management also reduces the risk of serious harm to human health and safety, loss of property, as well as preventing environmental damage. Enhancing funds for this effort will also stabilize the ability of the Division to address planned services more consistently, reducing the situations in which unanticipated pipe failures must be addressed within the budget.

*Estimated Cost:* > \$2 Million/year

**9. Provide water quality treatment for County road drainage (P-1)**

*Rationale:* Road runoff is the single largest source of water pollution in the County. If we are to bend the curve of eroding water quality towards improvement, more must be done to address road run-off. With nearly 1600 miles of county roads, this item will take decades to fully implement, however, priority areas can and should be identified for early action. Given cost concerns, the Panel is recommending a level of investment—about \$1M a year—that is half of the \$2M/year originally considered. Funding support from the County Roads Fund should be considered.

*Estimated Cost:* \$1 Million/ year

## **10. Replace an additional 3-5 fish passage barriers per year (P-4)**

*Rationale:* Baseline funding supports replacement of 5 fish passage barriers per year; this initiative would essentially double current efforts. While some Panel members would advocate for investment far beyond what is proposed here, others would prefer to see it scaled back to make space for other projects. Overall, however, this project is strongly supported as a necessary step both to respond to the recent court case against the state, and in support of the goal of restoring salmon and other fish runs. The timing of individual projects may be adjusted depending on the information from the survey of fish barriers that is also recommended for funding (Project #4 / I-14). Funding support from the County Road Fund should be considered.

*Estimated cost:* \$2 Million/year (\$500K per culvert)

## **11. Proactively identify and reinforce County-owned levee and dike hazard areas (P-8)**

*Rationale:* Addressing problems before major failure is cost effective and basic good management practice. Dikes and levees are critical to public safety. With planned funding for proactive management, it is also possible to develop multi-benefit solutions.

*Estimated cost:* \$300K/year

## **12. Assess older pipes and road crossing culverts every 10 years (P-2)**

*Rationale:* Scheduled review of all pipes and culverts is critical to gaining a baseline understanding of infrastructure needs and making prioritized capital replacement plans. The baseline only supports a one-time assessment of road crossing culverts. This action item is a basic good management practice and should arguably be in the baseline. Where County road culverts are involved, funding from the County Road Fund should be considered.

*Estimated cost:* \$125K/year

**Category: Help People**

**13. Proactively screen for toxic algae at five to six problem lakes and post signage at these sites (H-1)**

*Rationale:* This effort will reduce risk of serious human and pet sickness due to toxic algae and can be accomplished at nominal cost.

*Estimated cost:* \$5K/year

**14. Provide area or basin specific education and outreach (H-2)**

*Rationale:* These services have been cut back in recent years, but historically they have proven to help landowners address water quality issues and improve outcomes. They also provide important public visibility for SWM's work.

*Estimated cost:* \$200K/year

**15. Provide increased technical assistance to residents to implement practices to protect habitat/water quality for lakes, rivers, streams and marine shorelines (H-3) **Consensus item****

*Rationale:* Some panel members suggested increasing funding for this item or expanding it to commercial and agricultural properties, other suggested scaling back the proposed size, but there is consensus that this type of programmatic activity should be expanded. It is a highly visible program from which residents will see direct benefit – important to building support for SWM's efforts. This type of service helps reduce pollutants from everyday activities of a growing population of residents.

*Estimated cost:* \$240K/year

-----

**❖ Additional comments on recommended service enhancements**

***The Panel strongly encourages the County to implement the 15 service enhancements presented.*** However, as noted above some Panel members would like to see the County go much further in addressing drainage, water quality, habitat and

flooding issues. It is noteworthy that in our initial deliberations—which focused less on cost and more on proposed actions-- there was broad Panel support for many more enhancements than are ultimately recommended here.

On the other hand, while as a Panel we are endorsing the overall package of enhancements, some Panel members are not comfortable with the level of increase in rates entailed, and would have preferred to see more robust monitoring and evaluation metrics in place to more easily determine where progress is being made and where more work is needed. See **Minority Statement # 2** at **Exhibit D**.

***It is important that the County define a process going forward in which the priorities and programs ultimately approved in the strategic business plan are reviewed and updated periodically.*** Ideally, a full SWM comprehensive plan will be funded and developed. What is important to us today could change over time. Financial modelling assumptions may need to be adjusted. The level of investment we are calling for is significant, and the County and SWM must regularly review and update the final adopted strategic business plan.

There is some uncertainty about the outcome of the 15 recommended enhancements. This reinforces the need for both periodic check-ins and developing a more robust set of metrics.

Finally, we note that some issues of importance to some Panel members are outside the scope of the strategic business plan, but have impact on water quality conditions. Specifically, the Hirst decision on water rights and its effect on in-stream flows to support fish and wildlife were discussed several times at Panel meetings, but we understand these are not squarely within SWM's current mission and are not part of our recommendations.

## **Funding the Baseline and Recommended Service Enhancements**

### **A. Phasing in Rate Increases**

***We believe funding for the baseline should be implemented in the next budget cycle (2019). Additionally, to effectively manage deployment of these service enhancements, we recommend that the 15 recommended service enhancements be gradually implemented over a period of a few years.***

One of the options presented to us with the financial model assumes the recommended enhancements are phased in roughly equal cost increments over five years (between

2019 and 2023). Actual implementation could be faster. As these service enhancements are implemented, there may well be efficiencies that result in lower total costs than estimated – and we encourage SWM to vigorously seek to capture such efficiencies.

### **B. Funding Structures Beyond SWM Charges should be Explored**

Given the rate pressure on SWM charges to support both the baseline and recommended service enhancements, we believe ***it is important for the County to explore other structures for how SWM's revenues are generated and applied.*** The financial modelling completed as part of this process assumes continued success in securing grants and partnerships. As we see the benefits of SWM's services being largely countywide—rather than local—in nature, we encourage the County to explore funding sources utilized by some other counties to support surface water management programs, including but not limited to countywide flood districts. For example, in King County, the flood control district is funded through a countywide property tax of 12.9 cents per \$1,000 assessed value, which currently generates roughly \$54.5 million for flood control and related habitat and water quality projects.<sup>6</sup> The County Council could choose to implement this revenue strategy.

A number of other funding questions arose in our deliberations that we were unable to resolve but which we offer for consideration:

- Can/should debt financing accelerate the pace of implementation on some service enhancements?
- Should some recommended enhancements be scaled back to mitigate rate impact – or is it more important to accelerate progress in addressing water quality and flooding issues?
- Has the County struck the right balance between the Road Fund and SWM charges in funding surface water related projects, particularly those in the County road rights-of-way? For example, fish passage barriers that are in roadways are a significant and costly issue in the next several years. Additionally, several Panel members referenced studies they are aware of that indicate that road runoff is the single largest contributor to water pollution. See **Minority Statement #3** at **Exhibit D** for further discussion of these issues.

---

<sup>6</sup> Source: King County Flood Control District.

- Should some enhancements be conditioned on grant funding? Depending on the level of funding support for SWM going forward, it may be necessary to identify projects that would be pursued only if grant funding is secured.

### **C. Importance of Partnerships**

Partnerships have been critically important to successful implementation of water quality, flood control and habitat projects. These partnerships come in many forms-- with cities, tribes, and others. ***The County should continue to seek partners to assist in shaping and funding SWM projects.*** Cities, in particular, need to be in the picture if we are to solve water system problems: the best of efforts upstream is of little value if downstream jurisdictions are not working towards the same goals.

### **D. Funding for Emerging Issues**

In the last decade, there have been many unanticipated projects for SWM – unscheduled repairs, new legal requirements, changing public expectations, etc. There is little reason to believe this won't continue. ***We encourage the County to identify funding for emerging issues in addition to the service enhancements we here propose.***

### **E. Rate Design**

The Panel did not have adequate time to explore issues regarding rate design and we make no recommendations in this area. However, a few questions regarding rate design came up in our discussions, noted below:

- Does the quarter-acre basis for commercial parcel charges continue to make sense or should the County move to a residential equivalent unit approach as have many peer agencies?
- Are rates equitable as between commercial and residential customers?
- Are farms treated equitably in the current rate structure? See **Minority Statement # 4** at **Exhibit D**.

## **Significant Policy Issues for the Future of SWM**

A number of significant policy issues arose in our deliberations that we feel are important to SWM's future, and we offer our observations on these below.



### **A. Need for More Consistent Policy Support for SWM's Goals and Coordination between SWM and County Land-Use Planning and Zoning**

To some of us, the County seems to be working at cross-purposes to the issues SWM is tasked to address. In many instances the most effective action going forward – in terms of cost and outcomes—might reside with zoning and permitting regulations and decisions, rather than simply relying on SWM to find funding capacity after the fact to address issues arising from development. The County is working hard to accommodate a growing population—permitting more housing, constructing more roads. But the permitted development is occurring under terms and conditions that are increasing the environmental impact and related workload for SWM, while SWM rates have remained unchanged since 2009. Unless this dynamic changes, SWM's tasks will continue to grow in a manner that outpaces its revenues, and we will see a deterioration in drainage infrastructure conditions, water quality, habitat and flooding.

Panel members support the idea of stronger coordination between the County planning department and SWM to minimize surface water management challenges moving forward, addressing them at the land use planning and permitting stage where possible. The Panel believes that County land-use decisions should be made with greater regard to the impacts they may create for other County programs, and in particular for SWM, in terms of water quality, drainage, pollutant run-off into waters, and similar SWM-related impacts.

### **B. Targets and Metrics for SWM's Activities**

As mentioned above, it would have been easier for the Panel to recommend where specific investments should be made if there were a strong set of metrics on the outcomes of the programs currently being funded. It is important that SWM develop and track metrics regarding the outcomes of SWM's work. Funding support for this effort should be provided.

### **C. Road Fund Support for SWM Programs and Activities**

As suggested under the discussion above on funding issues, some Panel members are concerned that the Road Fund is not paying enough to support surface water management programs. See **Minority Statement #3**. The Panel recognizes the challenge of competing demands upon limited County revenues, and the importance of our County road system. We encourage the County to re-examine the current funding by the Road Fund in support of water quality, with an eye to increasing both.

## Closing Recommendations

We offer three final recommendations for consideration by policy-makers.

First, we believe a **significant public outreach and education effort** is needed to secure support for the rate increases necessary to support our recommendations. SWM is launching several efforts this winter to help inform the development of the final strategic business plan document. These include sending mailers to every ratepayer, posting an online survey for all ratepayers, holding four open houses and reaching out to both countywide and local organizations with an offer to provide informational presentations. The Panel supports this public outreach and engagement and believes it is an important part of the strategic business plan process. Engagement of ratepayers should be an ongoing, annual effort, deploying multiple communication strategies.

Second, we urge the County and SWM to **capture efficiencies wherever possible**.

Third, **we request to be reconvened as a Panel** at some point within the next year or so to be briefed on the work of the County in response to our recommendations. We are deeply interested in the future of surface water management in Snohomish County, and are hopeful that we will see the County adopt substantially enhanced funding for SWM and an expanded portfolio of service programs as outlined in this report.

## Conclusion

While our report is being issued in advance of the delivery of the Division's draft strategic plan, we hope that our recommendations will provide guidance to this important effort. The work of SWM is vital to the quality of life in Snohomish County and benefits all residents and businesses. It should be strongly supported by County policy makers—and, we believe, expanded, both in terms of funding support and program offerings, as outlined in this report.

We thank the County Executive for convening us to offer input on the future of SWM. We appreciate the effort to bring together a diverse set of stakeholders to deliberate on SWM's funding and programs. We commend the SWM staff team for their excellent work in supporting our efforts. The County and ratepayers are well served by them.

We look forward to having the opportunity in the near future to present our findings to the County Executive and the County Council.

**Exhibit A: Panel Members and Affiliations**

| <b>Surface Water Management Utility Business Plan<br/>Ad Hoc Advisory Panel Members</b> |   |
|---|---|
| <b>Names</b>  | <b>Organization/Constituency</b>                                    |
| Dave Gossett, CHAIR   | Former County Councilmember   |
| Mark Craven, VICE-CHAIR   | Agricultural Community,<br>Agricultural Advisory Board              |
| Erik Ashlie-Vinke   | Economic Alliance of Snohomish County                               |
| Barry Bettinger   | Small Commercial Rate Payer,<br>Snoqualmie Gourmet Ice Cream        |
| Jeff Clarke   | Large Commercial Rate Payer,<br>Alderwood Water/Wastewater District |
| Bill Derry  | Former Surface Water Management Manager                             |
| Jeff Ellingsen  | Agricultural Community,<br>Agricultural Advisory Board              |
| Mark Fussell  | Residential Rate Payer  |
| Merlin Halverson  | Flooding/Disaster Response, Snohomish County<br>Fire District 5     |
| Sue Joerger   | NGOs/Interest Groups,<br>Puget Soundkeeper Alliance                 |
| Deborah Knight  | Cities<br>Administrator, City of Monroe                             |
| Miriam Lancaster  | Residential Rate Payer  |
| Shawn O'Donnell   | Small Commercial Rate Payer/<br>Other Boards, Restaurateur          |
| Morgan Ruff   | Tulalip Tribes  |
| Danielle Shaw   | NGOs/Interest Groups,<br>Washington Environmental Council           |
| Pat Stevenson   | Stillaguamish Tribe   |



**Exhibit B: Staff and Consultant Team**

| <b>Surface Water Management Utility Business Plan<br/>Staff Support and Consultant Team</b> |                                      |
|---|--------------------------------------|
| <b>Name</b>   | <b>Role</b>                          |
| Will Hall   | Director                             |
| Gregg Farris  | Planning Manager                     |
| Karen Kerwin  | Engineering Manager                  |
| Jim Blankenbeckler  | Capital Supervisor                   |
| Ann Bylin   | Program Planning Supervisor          |
| Laura Frolich   | Drainage Management Supervisor       |
| Dave Lucas  | Floodplain Services Supervisor       |
| Janell Majewski   | Resource Monitoring Supervisor       |
| Mike McGuinness   | Fiscal Administration Supervisor     |
| Kris Mizutowicz   | Administrative Support Supervisor    |
| David Ojala   | Drainage Management Supervisor, Temp |
| Kent Barbeau  | Business Process Analyst             |
| Jessica Hamill  | LIO Coordinator                      |
| John Herrmann   | Project Coordinator                  |
| Charlotte Riehl   | Fiscal Resources Analyst             |
| Erik Stockdale  | SLS Coordinator                      |
| Gene Williams   | Project Coordinator                  |
| Karen Reed, Karen Reed Consulting   | Independent Facilitator              |

**Surface Water Management Utility Business Plan  
Staff Support and Consultant Team**

| <b>Name</b>                   | <b>Role</b>                              |
|-------------------------------|--|
| Rick Schaefer, Tetra Tech     | Benchmarking, Gap Analysis               |
| Kris Faucett, Cocker Fennessy | Stakeholder Interviews, SWM Staff Survey |
| Art Griffith, FG Solutions    | Cost of Service Analysis                 |

## Exhibit C – Initial Advisory Panel Prioritization of 37 Potential Service Enhancements

This table shows the Panel’s preliminary ratings of all 37 potential service enhancements presented to the Panel. It also includes staff’s summary of the benefits, stakeholder demand and cost of each service enhancement. Proposals were rated by Panel members on a 4-point scale. Items rated 1 or 2 were considered a vote against funding the enhancements—summarized as a “No” vote below; items rated 3 or 4 were considered a vote in favor of funding—a “Yes” vote. The color coding in the right hand column shows the results in terms of whether the item received strong **consensus** support (a “Yes” vote from at least 80% of panel members voting), an initial **recommendation** level of support (a “Yes” vote from at least 60%, but less than 80%), or was **not recommended** for funding (an item receiving less than 60% support).

|   |
|---|
| 80%+ support = Preliminary <b>Consensus</b>         |
| 60%-79% support = Preliminary <b>Recommendation</b> |
| <60% = Preliminary vote to <b>not recommend</b>     |

### CATEGORY: MONITOR CONDITIONS

### SWM Business Plan Enhancements Analysis Summary

| Base Program <sup>7</sup>   | #          | Suggested Enhancement   | Benefits <sup>8</sup>  | Stakeholder Demand | Annual Cost | Initial Advisory Panel Rating Yes:No <sup>9</sup> |
|---|------------|---|--|--------------------|-------------|---|
| <b>Surface Water Conditions Monitoring</b>                                |            |   |  |                    |             |   |
| Conduct river streambank condition and habitat evaluations every 10 years | <b>M-1</b> | Increase river streambank condition and habitat evaluation to every 5 years | Supports salmon recovery projects and better tracking of changing river channel conditions | Medium             | \$15,000    | 7:6   |

<sup>7</sup> Information in this column summarized programs in this category of activity that are included in the staff proposed baseline budget.

<sup>8</sup> The information in the Benefits, Stakeholder Demand, and Annual Cost columns was developed by SWM staff and presented to the Panel.

<sup>9</sup> “Yes” is number of Panel members supporting funding of the item; “No” count is number of Panel members voting that they would not support funding for the item.

**CATEGORY: MONITOR CONDITIONS**

**SWM Business Plan Enhancements Analysis Summary**

| Base Program  | #          | Suggested Enhancement  | Benefits  | Stakeholder Demand | Annual Cost | Initial Advisory Panel Rating<br>Yes:No |
|---|------------|--|---|--------------------|-------------|---|
| <b>Rainfall and River/Stream Flow Monitoring</b>                        |            |  |   |                    |             |   |
| Maintain countywide system of 33 precipitation and river/stream gauges  | <b>M-2</b> | Upgrade 13 current gauges to ensure all County flood gauges provide real-time flood monitoring | Provides up-to-the-minute information on river levels for public and responsible agencies during floods                     | Medium             | \$6,000     | 12:1                                    |
|   | <b>M-3</b> | Add 5-6 additional precipitation gauges and 3-5 additional river/stream gauges                 | Fills data gaps and provides better flood information to more of the county population                                      | Medium             | \$60,000    | 12:1                                    |
| Implement online flood warning system for the public and other agencies | <b>M-4</b> | Add real-time flood inundation mapping to online system for one pilot area                     | Provides real-time visualization of flood risks for public and agencies in pilot area with potential to expand to all areas | Medium             | \$40,000    | 7:6                                     |



**CATEGORY: IDENTIFY NEEDS**

**SWM Business Plan Enhancements Analysis Summary**

| Base Program  | #   | Suggested Enhancement  | Benefits  | Stakeholder Demand | Annual Cost | Initial Advisory Panel Rating<br>Yes:No |
|---|-----|--|---|--------------------|-------------|---|
| <b>Water Quality and Drainage Planning</b>  |     |  |   |                    |             |   |
| Complete 2 water quality basin plans every 3 years  | I-1 | Complete 1 additional water quality basin plan every 2 years | Increases efforts to identify and prioritize capital projects to protect water quality and habitat  | Medium             | \$100,000   | 8:5                                     |
| Complete 1 master drainage plan every 2 years   | I-2 | Update 1 master drainage plan model every year               | Identifies and prioritizes capital projects to improve drainage and reduce flooding and erosion   | High               | \$100,000   | 8:5                                     |
| Coordinate as requested   | I-3 | Coordinate to inform County land use planning                | Provides more drainage, water quality, and habitat information to planning to help avoid potential impacts of development                   | Very High          | \$60,000    | 11:2                                    |
| <b>Salmon Recovery Planning</b>   |     |  |   |                    |             |   |
| Lead basin partner coordination to implement existing salmon recovery plans                         | I-4 | Develop steelhead recovery plans                             | Provides targeted analysis of habitat needs and potential recovery projects for steelhead, which may be different from other salmon species | Medium             | \$70,000    | 13:0                                    |
| Lead annual distribution of grant funds for salmon recovery projects                                | I-5 | Plan for more habitat and floodplain capital projects        | Provides master plans for each basin with prioritized projects to support grant funding   | High               | \$50,000    | 13:0                                    |
| <b>Puget Sound Recovery Planning</b>  |     |  |   |                    |             |   |
| Lead coordination with partners to implement Puget Sound recovery per the Puget Sound Action Agenda | I-6 | Develop a "Protected Lands" strategy with partners           | Provides plan for long-term protection of key areas for habitat and water quality needs   | High               | \$90,000    | 9:4                                     |

**CATEGORY: IDENTIFY NEEDS**

**SWM Business Plan Enhancements Analysis Summary**

| Base Program   | #    | Suggested Enhancement  | Benefits  | Stakeholder Demand | Annual Cost            | Initial Advisory Panel Rating<br>Yes:No |
|--|------|--|---|--------------------|------------------------|---|
| <b>Shellfish Planning</b>  |      |  |   |                    |                        |   |
| Develop Response Plan and implement some actions to address shellfish downgrade in the Stillaguamish | I-7  | Fully implement a response plan for improving conditions in shellfish beds in the Stillaguamish Tribal area, working with partners | Identifies and corrects bacterial pollution affecting shellfish beds in the Stillaguamish area to protect public health           | High               | \$200,000              | 12:1                                    |
| None   | I-8  | Implement county wide shellfish program  | Identifies and corrects bacterial pollution affecting shellfish beds throughout county marine shorelines to protect public health | Medium             | \$300,000 to \$500,000 | 7:6                                     |
| <b>Groundwater Planning and Management</b>   |      |  |   |                    |                        |   |
| Limited  | I-9  | Work with Planning and Development Services on groundwater resource issues   | Address low flows for fish habitat and provide better information for land use planning decisions                                 | High               | \$120,000              | 3:10                                    |
| Limited  | I-10 | Update Groundwater Management Plan   | Provide more detailed analysis to support low flow and groundwater management decisions   | High               | \$100,000              | 9:4                                     |

**CATEGORY: IDENTIFY NEEDS**

**SWM Business Plan Enhancements Analysis Summary**

| Base Program   | #    | Suggested Enhancement   | Benefits  | Stakeholder Demand | Annual Cost | Initial Advisory Panel Rating<br>Yes:No |
|--|------|---|---|--------------------|-------------|---|
| <b>River and Floodplain Planning</b>   |      |   |   |                    |             |   |
| Conduct studies of flood-prone areas as needed to evaluate flood risks   | I-11 | Update flood plans  | Updates 1990s flood plans to understand current river channel processes and analyze flood risks and improve public safety   | Medium             | \$42,000    | 13:0                                    |
| Support Department of Emergency Management on natural hazard mitigation planning   | I-12 | Conduct channel migration zone risk analyses for 10 river miles per year  | Analyzes channel migration and erosion conditions to assess risks and protect public safety   | Medium             | \$75,000    | 8:5                                     |
| Conduct analyses to prioritize river restoration and multi-benefit projects<br>Coordinate the Sustainable Lands Strategy program to address farm, fish, and flood issues | I-13 | Evaluate alternatives for different future river conditions and multi-benefit capital improvements                                  | Provides critical information to develop multiple benefit projects that reduce flood risks, provide fish habitat, and protect farm lands  | High               | \$50,000    | 10:3                                    |
| Identify and prioritize fish blockage culverts at county roads for 8 sub-basins every 3 years  | I-14 | Complete identification of fish blocking culverts within all County road rights of way (including driveway culverts) within 3 years | Accelerates analysis and prioritization of fish blockage culverts to support more capital projects to replace these culverts and provide access to more habitat for threatened fish species | High               | \$175,000   | 13:0                                    |

**CATEGORY: IMPROVE AND PROTECT SYSTEMS SWM Business Plan Enhancements Analysis Summary**

| Base Program  | #   | Suggested Enhancement  | Benefits  | Stakeholder Demand | Annual Cost | Initial Advisory Panel Rating<br>Yes:No |
|---|-----|--|---|--------------------|-------------|---|
| <b>Water Quality Projects</b>                           |     |  |   |                    |             |   |
| Complete 2 to 3 water quality capital projects per year | P-1 | Provide water quality treatment for County road drainage                               | Provides water quality treatment of County road runoff (a large source of water pollution) at a rate of 2.5 miles per year  | Low                | \$1,000,000 | 9:4                                     |
| <b>Failing Drainage Infrastructure Projects</b>         |     |  |   |                    |             |   |
| Assess conditions at County road culverts one time      | P-2 | Assess older pipes and road crossing culverts every 10 years                           | Identifies potential failing pipes and culverts so they can be replaced before failure, protecting public safety            | High               | \$125,000   | 12:1                                    |
| Replace culverts/ pipes when they fail                  | P-3 | Replace drainage pipes prior to failure, at the rate of 5 additional projects per year | Prevents costly and dangerous failures of pipes and culverts for public safety and prevents potential water quality impacts | High               | \$2,000,000 | 12:1                                    |
| <b>Fish Passage Projects</b>                            |     |  |   |                    |             |   |
| Replace 5 fish passage barriers per year                | P-4 | Replace an additional 3-5 fish passage barriers per year                               | Provides access to valuable habitat for threatened fish species and reduces erosion to protect water quality                | High               | \$2,000,000 | 12:1                                    |

**CATEGORY: IMPROVE AND PROTECT SYSTEMS SWM Business Plan Enhancements Analysis Summary**

| Base Program  | #   | Suggested Enhancement   | Benefits  | Stakeholder Demand | Annual Cost            | Initial Advisory Panel Rating<br>Yes:No |
|---|-----|---|---|--------------------|------------------------|---|
| <b>Habitat Projects</b>   |     |   |   |                    |                        |   |
| Complete 1 large habitat project at a time  | P-5 | Complete 1 additional large project at a time                               | Protects and improves large areas of additional critical habitat along major river, stream, and marine shorelines to support salmon recovery and the health of these waterbodies                | High               | \$2,000,000            | 12:1                                    |
| Complete 1-2 smaller habitat projects at a time   | P-6 | Complete 1 additional smaller projects at a time                            | Protects and improves additional critical habitat along major river, stream, and marine shorelines to support salmon recovery and the health of these waterbodies                               | High               | \$300,000 to \$500,000 | 12:1                                    |
| Collect data before and after habitat projects to determine success as required by grants   | P-7 | Increase the types and numbers of projects monitored                        | Enhances management of habitat projects, tracks benefits of projects, and improves the design of future projects  | Medium             | \$30,000               | 12:1                                    |
| <b>River/Floodplain Projects</b>  |     |   |   |                    |                        |   |
| Assist other departments to design protection measures (roads, trails) after problems occur<br><br>Provide analytical support for design of roads and bridges | P-8 | Proactively identify and reinforce County-owned levee and dike hazard areas | Identifies and repairs County-owned dikes and levees prior to failures, which reduces flood risk and keeps people and property safer; also provides opportunities for multiple benefit projects | Low                | \$300,000              | 11:2                                    |

**CATEGORY: IMPROVE AND PROTECT SYSTEMS    SWM Business Plan Enhancements Analysis Summary**

| Base Program                             | #           | Suggested Enhancement                              | Benefits  | Stakeholder Demand | Annual Cost | Initial Advisory Panel Rating<br>Yes:No |
|--|-------------|--|---|--------------------|-------------|---|
| <b>Property Purchases for Protection</b> |             |  |   |                    |             |   |
| None                                     | <b>P-9</b>  | Develop plan to purchase properties for protection | Identifies critical hazard and habitat areas and sets priorities for purchase to provide long-term protection and restoration | Medium             | \$30,000    | 12:1                                    |
| None                                     | <b>P-10</b> | Purchase 1-2 properties per year                   | Secures long-term protection for key properties that will provide habitat, water quality, and flood risk improvements         | Medium             | \$1,000,000 | 11:2                                    |

**CATEGORY: OPERATE AND MAINTAIN SYSTEMS SWM Business Plan Enhancements Analysis Summary**

| Base Program  | #          | Suggested Enhancement  | Benefits  | Stakeholder Demand | Annual Cost | Initial Advisory Panel Rating<br>Yes:No |
|---|------------|--|---|--------------------|-------------|---|
| <b>Maintenance of County-Owned Stormwater Facilities</b>  |            |  |   |                    |             |   |
| Inspect & maintain: -NPDES facilities annually (300); non-NPDES facilities every 3-5 years; and off right of way catch basins | <b>O-1</b> | Inspect and maintain all facilities annually (350 more)                                | Provides better maintenance and operation of all parts of the stormwater drainage infrastructure to protect water quality and improve drainage function | Medium             | \$400,000   | 10:3                                    |
| Address beaver related road flooding issues   | <b>O-2</b> | Develop proactive program to identify and address beaver issues before flooding occurs | Reduces flooding risks for public roads and infrastructure  | Low                | \$25,000    | 7:6                                     |
| <b>Maintenance of Private Stormwater Facilities</b>   |            |  |   |                    |             |   |
| Inspect all NPDES facilities annually and maintain 500 residential facilities   | <b>O-3</b> | Inspect & maintain all residential facilities annually (500 more)                      | Provides better maintenance and operation of private drainage infrastructure to protect water quality and improve drainage                              | Medium             | \$730,000   | 13:0                                    |
| Commercial owners maintain their facilities (430)   | <b>O-4</b> | Inspect all commercial facilities annually (150 more)                                  | Provides better maintenance and operation of commercial drainage infrastructure to protect water quality and improve drainage                           | Medium             | \$62,000    | 8:5                                     |
| Limited   | <b>O-5</b> | Acquire easements to maintain high priority conveyance systems on private property     | Establishes County ownership and maintenance responsibilities for these drainage systems and ensures they will be maintained and operated properly      | Medium             | \$170,000   | 4:9                                     |

**CATEGORY: HELP PEOPLE**

**SWM Business Plan Enhancements Analysis Summary**

| Base Program   | #   | Suggested Enhancement  | Benefits   | Stakeholder Demand | Annual Cost | Initial Advisory Panel Rating<br>Yes:No |
|--|-----|--|--|--------------------|-------------|---|
| <b>Lake Management</b>   |     |  |  |                    |             |   |
| Post invasive plant and toxic algae signs at lakes when reported   | H-1 | Proactively screen for toxic algae at 5 to 6 problem lakes and post signage at these sites | Provides earlier detection and public notification of toxic algae blooms in lakes, reducing health risks to humans and pets  | Medium             | \$5,000     | 6:7                                     |
| <b>Education and Outreach</b>  |     |  |  |                    |             |   |
| Provide water quality education and outreach program as required by NPDES permit and as part of some SWM programs<br><br>Provide education for streamside and lakefront property owners<br><br>Evaluate and adapt education and outreach campaigns to make them more effective | H-2 | Provide area or basin specific education and outreach                                      | Broadens education and outreach efforts to more County residents and focuses the efforts on targeted actions to improve water quality and habitat in specific stream, lake, and marine shoreline areas | High               | \$200,000   | 7:6                                     |



**CATEGORY: HELP PEOPLE**

**SWM Business Plan Enhancements Analysis Summary**

| Base Program  | #          | Suggested Enhancement  | Benefits  | Stakeholder Demand | Annual Cost | Initial Advisory Panel Rating<br>Yes:No |
|---|------------|--|---|--------------------|-------------|---|
| <b>Technical Assistance</b>   |            |  |   |                    |             |   |
| Provide some technical assistance to residents for drainage, water quality and habitat for lakes, rivers, streams and marine shorelines | <b>H-3</b> | Provide increased technical assistance to residents to implement practices to protect habitat/water quality for lakes, rivers, streams and marine shorelines | Provides detailed hands-on advice and techniques to help property owners implement actions on their own properties that will improve and protect drainage, water quality, and habitat | High               | \$240,000   | 12:1                                    |
| <b>River/Floodplain Outreach</b>  |            |  |   |                    |             |   |
| Apply for and manage FEMA grants for damaged and at-risk properties   | <b>H-4</b> | Target high risk areas for outreach related to FEMA grants   | Provides proactive outreach to property owners in high risk areas to help them obtain assistance for elevating homes and making other improvements to reduce flood risks              | Medium             | \$50,000    | 10:3                                    |



## EXHIBIT D: MINORITY STATEMENTS

### Minority Statement # 1

A major purpose of the advisory panel process was to consider and prioritize a list of possible projects for the Surface Water Management Division to tackle in order to increase the Division's ability to meet its goals. SWM set out its goals in general terms: reduce damage and deaths from flooding, solve local and area-wide drainage problems, improve fish habitat, and improve water quality in local lakes, streams, and Puget Sound. These are areas that most if not all members of the committee can agree deserve attention.

However, through this process little effort was made to quantify progress to date. Nor were we provided estimates of the impact that any of the various proposed projects might have. If they were all adequately funded and carried forth, in ten or twenty years would water quality be better than without such efforts? Would salmon runs be healthier? We were generally not shown measurements of the effect of existing programs to date, and there is no indication that staff plans to study how effective any new efforts will turn out to be.

It is easy for an opponent to claim that SWM has been working on these issues for over thirty years, yet today the water quality is worse, habitat is still further degraded, and salmon runs are worse than when we began. Is all (or any) of that true? We don't appear to know because no metrics are provided.

This raises concerns for several reasons.

- Why should we propose new programs if we do not know whether the existing programs are having a positive impact?
- How can we recommend raising rates without knowing whether the new programs are at all cost-effective?
- Even if these programs are effective, there might be more effective uses of the ratepayer dollars in pursuing the same goals. For example, putting all ratepayer dollars into one or two narrowly targeted programs might be more effective than spreading it thinly over many diffuse goals.
- Past SWM fee increases have been controversial in Snohomish County. It seems politically unwise to significantly expand the program and increase its fees without quantifying the impact to date, and projecting what effect the new investment might have. We need to tell citizens: here are the needs, and here is what your investment is expected to produce.
- A solid metrics and reporting program demonstrating positive results would be the strongest possible advertisement for future proposals.

I found myself voting in favor of projects that have the right targets, and which seem like they ought to work. However, my District pays more than \$35,000 per year in SWM fees, and before that number climbs higher I would like to know that there will be a measurement and reporting program in place to assure us that future investments are based on results, not hopes.

Jeff Clarke

Sue Joerger and Danielle Shaw wish to note their support this minority statement.

## **Minority Statement #2**

The Advisory Panel report reflects a lot of good work. We had input throughout the process. Each of us supported some enhancements and not others. All of the recommended enhancements would have some benefits, but the total cost and rate impact is too high for us to support at this time.

We appreciate and commend Snohomish County for its work to sustain the core SWM programs while keeping rates low. We strongly support the base program and the rate increase necessary to sustain it (\$29 per single family residence in 2019.) Any enhancements or rate increase beyond the base should be given careful scrutiny. The highest priority enhancements identified by SWM – increased technical assistance, identifying all fish blockage culverts, and assessing the condition of the oldest drainage pipes – merit consideration, along with the additional \$3 per single family residence increase in rates to support them.

Our support for further revenue and program enhancements would require SWM to implement a system of metrics and reporting to demonstrate the effects of their existing programs. Through this process there was little evidence provided of the impact of more than thirty years of ongoing efforts. Convincing businesses, the public, and elected officials to significantly increase support for the program will require showing them that the investment has a real environmental payoff, and that the proposed new efforts are the most effective uses of such monies.

Shawn O'Donnell

Erik Ashlie-Vinke

Jeff Clarke

### Minority Statement # 3

## Minority Report to SWM Advisory Panel

We are strong supporters of the SWM Program and want to help make it more successful. Below we have listed concerns and suggestions with the intent of helping – please accept our intent.

### Pollution from Roads and Vehicles

Roads are the primary source of pollution for the County’s surface waters. The list of pollutants and their quantities from roads are well known. The primary pollutants include:

- Particulates from tire, brake and pavement wear, sanding streets, ditch and stream erosion,
- oil, grease, gas, VOCs
- toxic metals including zinc (from tires and galvanized pipes, fences and posts), copper (from brakes), lead, cadmium
- nutrients (phosphorous used as a detergent in motor oil)
- salts and other deicing chemicals
- trash and bacteria
- pesticides and fertilizers used in roadside vegetation management.

Emissions from vehicles drift in the air and land on open water and other land surfaces. Those air-born pollutants that fall on other land surfaces find their way into surface waters.

### Increased Runoff from Roads

Roughly 80% of the impervious surface in SWM’s service area is roads. Every road is bounded on one or both sides by ditches (or curb and gutter) designed to remove runoff from the road surface as quickly as possible. The ditches also remove ground water from the surrounding soils. So the ditches have a compounding effect of removing water from the soils and delivering road runoff quickly to streams. Ditches are also a source of erosion and silt delivered to streams. Thus, roads and their associated ditches are the primary cause of increased peak flows in streams and the resulting damage to fish habitat and loss of fish in urban or urbanizing areas.

### The Road Fund

A large portion of the SWM budget is used to fix problems caused by roads:

- Failing culverts,
- Fish blocking culverts
- Drainage problems caused by road runoff
- Stream erosion.

Less than 1% of roads have been retro-fitted for water quality or increased runoff. Yet, the Road Fund only pays 30% of the SWM fee that private property owners pay per square foot of impervious surface. This while roads are the primary source of the problem and SWM is charged with fixing problems primarily caused by roads.

Thus, the SWM program is subsidizing roads, which are primarily used for single occupancy vehicles. So the public and elected officials don't see the true cost of driving cars and therefore don't see the true cost of sprawl or land use decisions.

The street sweeping program funded by the Road Fund does essentially nothing for water quality. The sweepers used only pick up large particles while pollutants are attached to very small particles that stay on the road surface. Thus street sweeping as currently practiced does little or nothing to reduce pollution and nothing to reduce runoff or erosion. Therefore street sweeping is not a justification for

The Road Fund should pay for all services which are needed as a result of roads or vehicles.

## Land Use Policies

Land use decisions determine the quality of stream habitat and water quality. Snohomish County has been one of the most rapidly growing counties for the last four decades and this is likely to continue. The County's land use plans and regulations allow the continued degradation of its surface waters. Thus, the SWM program is given an almost impossible task of improving water quality and aquatic habitat while the County's regulations allow continual degradation. Below are a few key policies or regulations that should be adopted by Council:

- **Prohibit any increase in UGA:** Inclusion in the UGA determines that salmon populations will decline to a fraction of historical levels.
- **Require zero discharge for all new development and redevelopment:** this has been shown to be necessary and achievable to protect water quality and stream flow for over 20 years. Yet, it is not required in Snohomish County. There are proven examples within Snohomish County where this has been done.
- **Implement a meaningful program for Transfer of Development Rights**
- **Direct the Hearing Examiner to eliminate variances from stream and wetland setbacks**
- **Exempt properties that achieve zero discharge (or nearly so) from SWM fees except for an administrative fee.** This would reward those that accomplish this and provide incentive for others.

How would or could SWM encourage the County to make better land use decisions?

Why hasn't the County adopted a zero discharge policy for new development? The science and the technology are there.

## SWM Vision and Goals

The surface water in Snohomish County is degraded and declining overall. None of the County's streams meet water quality standards. Salmon populations in the urban and urbanizing streams are less than 10% of historical numbers.

The advisory board has not been told:

- Specific existing conditions for water quality or fish populations,

- trends over 30 years (not much change even with all the efforts of the SWM program – due to growth impacts)
- the specific challenges to improving water quality and habitat
- why there are so many drainage complaints every year (new development, roads)
- what it would take to really improve water quality and habitat and reduce drainage complaints (what actions and how much money).

So what good is the SWM program? We believe in its value but the committee hasn't been told.

What would raising the SWM rates accomplish in outcomes not actions?

We believe the Council should request SWM to return with a strategic plan that outlines different levels of effort and what each level of effort would accomplish in terms of improved water quality and increased fish populations. See attached chart.

We recognize that politics are the key issue and that politics are difficult for staff or advisory boards to address, and we don't know if we can change the politics (elected officials hear a lot more from voters about traffic than they do about the SWM program, water quality or fish habitat). At the least, the final report should be clear about the real issues and suggest changes that will improve things rather than just adding more money.

William E. Derry

Danielle Shaw, Washington Environmental Council

Sue Joerger, Puget Soundkeeper

#### **Minority Statement #4**

To Surface Water Management,

Thank you for having us on the Hoc Advisory Panel. We believe it's a good start for a better future of our county. Surface water is a very important part of the equation. We are representing agriculture. Both of us are on the Snohomish County Conservation District and Agriculture Advisory Board.

We have talked with many in the agriculture community. Everyone wants to make sure that agriculture in our county is listened to and understood. Agriculture is facing many challenges and surface water is a major one. Floods, drainage, water quality, levees and even water shortage (irrigation) are some of the issues. Last year farmers faced the challenge of too much water in the spring and then a very dry summer which made it horrible for growing crops.

We hope the changes made with SWM will be favorable to agriculture. The farmers we communicated with wanted to make sure they are not the dumping ground for development. They feel that they are paying for taking on more water when they really should be paid for taking everyone's water. Water runs downhill not up. We need to have a system to address where the water goes more than where the money is collected. Why are the cities not paying to discharge water to their downstream neighbors?

We have 2 out of 16 people on the panel representing agriculture. We hope our voice is heard and is known for whom we are speaking for. How SWM makes decisions will make an impact on agriculture. Our hope it's a positive impact.

We know SWM has a lot of challenges and we can find the win-win solutions.

Thank you,

Jeff Ellingsen

Mark Craven