

**KING CONSERVATION DISTRICT
KING COUNTY, WASHINGTON**

RESOLUTION NO. 19-002

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE KING CONSERVATION DISTRICT, KING COUNTY, WASHINGTON, ESTABLISHING THE 2020 PROPOSED PROGRAM OF WORK AND RATES & CHARGES APPROPRIATIONS BUDGET.

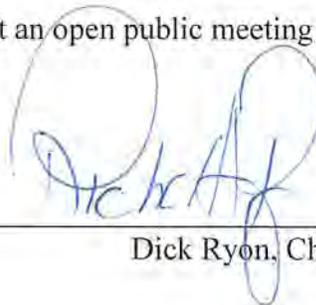
WHEREAS, the Board of Supervisors of the King Conservation District desires to formally establish the 2020 Proposed Program of Work and Rates and Charges Appropriations Budget; now, therefore

BE IT RESOLVED by the Board of Supervisors of the King Conservation District, King County, Washington, as follows:

Section 1. The King Conservation District Board of Supervisors approved the 2020 Proposed Program of Work and Rates and Charges Appropriations Budget as submitted (Appendix A) and

Section 2. All District resolutions, policies and procedures are hereby modified, amended and superseded to be in accordance with this Resolution.

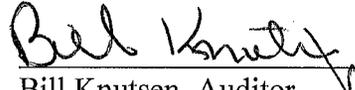
ADOPTED by the Board of Supervisors at an open public meeting held on May 13, 2019



Dick Ryon, Chair

CERTIFICATE

I, Bill Knutsen, Auditor of the Board of Supervisors, King County, Washington, do hereby certify that the foregoing resolution is a true and correct copy of Resolution No. 19-002 of such Board, duly adopted at a regular meeting thereof held on May 13, 2019.



Bill Knutsen, Auditor

RE: KCD 2020-2024 Proposed Program of Work

Dear King Conservation District Board of Supervisors,

On behalf of the Advisory Committee of the King Conservation District (AC) we recommend the Executive Director forward the attached program of work (Exhibit A) to the King Conservation District Board of Supervisors for further review and consideration.

Key Elements of the Proposed Program of Work

The Proposed Program of Work detailed in Attachment A would:

- Continue key programs that were identified in the 2015 Interlocal Agreement (ILA) and funded through rates and charges, including Urban Forest Stewardship, Community (Urban) Agriculture, Regional Food Program, Marine and Freshwater Shoreline Landowner education and technical assistance, Rural Small Lot Forest Stewardship and Rural Land Stewardship.
- Continue to provide a funding pool (Member Jurisdiction Grants) that jurisdictions can utilize to implement conservation activities in their communities - and grow that pool approximately proportionate to the KCD rate increase.
- Provide funding from rates and charges for programs that stakeholders have identified as valuable (Agricultural Drainage Assistance Program and Firewise wildfire preparedness planning) that were previously funded by grants and one-time funds.
- Provide new funding for a community agriculture grant program.
- Provide new funding for adding inland lakeshores to the riparian work with landowners.
- Provide for the addition of three (3.0) FTEs, including a forester, education specialist, and program evaluator position.
- Provide enhanced capacity so that KCD can deliver conservation services to different cultural and geographic audiences.
- Provide funding for a program evaluator and increased emphasis on program evaluation to maximize conservation impacts, efficiencies, and alignment with other conservation efforts including those at the local, county, state, regional and national level.

Key Assumptions

Through the planning process and review of the current KCD proposal, the Advisory Committee (AC) identified several key issues and assumptions that are important to highlight for the Board of Supervisors:

- The proposed 2020-2024 rates and charges revenue is understood to be \$8.9M, with a maximum per parcel rate of \$13.85 and an average per parcel rate of \$13.32.
- The proposed rates and charges structure does not fully fund the total cost of the Proposed Program of Work (\$9.8M). The attached Proposed Program of Work identifies the programming funded by rates and charges and the programming dependent on supplemental revenue sources.
- The AC encourages KCD to continue to seek supplemental and leverage funding where appropriate, but work funded in this way should not be considered guaranteed into the future with revenue from rates and charges.
- The rate proposal covers inflation through 2024, and projected increases in program costs through 2024.
- The AC recognizes the need for KCD to improve programmatic evaluation to better measure conservation outcomes and to adjust programming accordingly. The proposed program of work includes funds for programmatic evaluation, which should include consideration of third-party evaluation.
- The AC identified financial reporting as an area of needed improvement and recommends that KCD identify and implement best practices for financial planning and reporting.
- The AC will continue to provide guidance to ensure that KCD programs effectively reach our unique constituencies and align with and add value to the regional ecosystem of natural resource protection efforts.

Background

Over the past 18 months, the Advisory Committee has convened monthly with KCD staff to receive information and engage in strategic planning sessions related to KCD programming. This engagement included receiving the results of a survey completed by over 800 KCD stakeholders, and hearing from focus groups, program beneficiaries, and KCD staff on Urban and Rural Forestry, Community Agriculture, Regional Food, Rural Agriculture and Marine and Freshwater Shoreline programs.

The Advisory Committee recognizes that virtually all of KCD's programs help build resilience to counter the effects of global warming. With some programs, like fire prevention, stream and lakeshore improvements, and forest health, this link is very direct. Other programs like those aimed at agriculture and food systems also contribute to sustainability of land and water resources and are important for expanding access to healthy food and teaching natural resource stewardship. Many KCD programs are aimed at member jurisdictions, and the KCD county-wide scope of work recognizes that our individual jurisdictions do not exist in isolation and allows member jurisdictions to benefit from conservation practices spread over the larger geographical area.

Proposed Program of Work

Clean Water

KCD educates, provides technical assistance to, and helps implement best practices for landowners to affect water quality that impacts us all. The three programs move landowners through the arc of education: Riparian Land Stewardship's classes, workshops, and tours and technical assistance; Rural Land Stewardship- KCD's legacy work of working with rural landowners to develop plans for stewarding their natural resources; and Riparian Restoration & Improvement- action through bringing on-the-ground projects and financial assistance to natural resource challenges.

Riparian Stewardship- Landowner engagement and education make up the bulk of this program. KCD has learned that due to smaller lots and greater density and diversity, urban audiences require more, and different types of engagement to achieve the desired conservation outcomes. Because shoreline properties have the greatest potential to realize impact from conservation improvements, KCD proposes to continue this work and to add lakeshore properties to the portfolio.

Rural Land Stewardship- Rural Land Stewardship (Farm Conservation Planning) is a hallmark program for KCD. This program supports landowner compliance with Critical Areas Ordinance and the Livestock Ordinance and qualification for Public Benefit Rating System current use taxation. KCD currently serves an average of 150 customers annually, developing and average of 70 plans a year. KCD also offers an equipment loan service which provides access to equipment for an average of 60 landowners a year.

Riparian Restoration and Improvement -This program is the follow on for Riparian Land Stewardship. This program provides technical assistance, cost share, and work crews to help landowners implement best management practices such as removal of invasive species, planting natives, and installing buffers. This program also houses Discovery Farms, KCD's on-farm research program. Through this program, qualified landowners may also access federal funds for buffer improvement through the Conservation Reserve Enhancement Program. In 2020 KCD anticipates continuing to implement an average of 10 projects a year, impacting an average of 10 acres or 1.5 miles per year.

Forest Stewardship

As KCD built its Forest Stewardship Programs, we heard from our member jurisdictions that developing capacity to reduce risks from wildfires is important and an unmet need. In addition, member jurisdictions requested more KCD assistance in greening the built environment through its Urban Forest Stewardship program. In the rural areas of King County, KCD works with privately-owned parcels of 5 acres and under – representing a combined forested area of over 40,000 acres.

Wildfire Preparedness- Stakeholders are increasingly aware of the need to modify landscaping and land management practices to mitigate wildfire risk potential. Programs exist at the state and federal level to support planning and preparation on public lands and on large acreage holdings. There is an identified niche for KCD in engaging landowners and home owners' associations to assist in this type of planning. In 2020 KCD proposes to continue this work, funding staffing and technical support through rates and charges. KCD anticipates engaging with 5-7 communities annually to develop and implement alternative landscape and management practices in those communities.

Urban Forest Stewardship- This program focuses on partnerships with jurisdictions (as opposed to individual landowners within jurisdictions). In 2020 KCD proposes to continue working with cities to identify and develop projects to maintain and improve canopy on public and private property. KCD anticipates working with an average of 6 cities a year. KCD will prioritize projects based on potential conservation impact as opposed to geographic diversity.

Small Lot Forest Health - This program will continue in 2020 as it is currently run. As a complement to work done by the County and the State, KCD will focus its efforts on small lot landowners (5 acres or less). KCD will continue to partner with WSU Extension to deliver planning and stewardship classes to interested landowners. Nearly 100 King County landowners receive support from this program annually.

Agriculture and Local Food

KCD will continue to serve as the primary organization responding to King County's Local Food Initiative funding innovation in food production, demand, and access. A second task will be continuing to work with farmers to bring non-functioning drainage ditches back into production. Finally, a key component of improving food access and equity will continue to be KCD's Community Agriculture program, working with CBOs to develop urban sites into production gardens for immigrants, refugees, and other underserved residents.

Regional Food Systems- This program will continue to award \$900,000 annually to support the Executive's Local Food Initiative. In 2020 the program will make larger, longer term sustained investments in 4 key areas: Infrastructure; Scaling Up; Farmland Access and Institutional Demand. The program will utilize a competitive RFP process to award funds for these strategic initiatives. The program will continue to offer smaller competitive grants to support local food economy actors and organizations.

Agricultural Drainage Assistance - In 2020 KCD will continue its collaboration with the King County ADAP program. KCD will focus its efforts on landowner engagement and providing consultation and subject matter expertise to assist in the development of planting plans. KCD will engage in project management as requested by the County ADAP team, and as funds are available. Currently averaging the reclaiming of 2.5 miles of ditch and restoring or improving 300-400 new acres each year.

Community Agriculture -in 2020 KCD will continue to partner with Continue working with community-based organizations, faith institutions, and refugee and immigrant resettlement agencies to site and develop urban food production gardens and facilitate access to healthy soil, culturally-appropriate seeds, and technical assistance. In addition, at the request of stakeholders, KCD proposes to implement a Community Ag focused grant program (in the amount of \$150,000 annually) with priority given to underserved communities and community-based organizations. KCD anticipates working with an average of 3-5 cities to develop 5-8 gardens per year.

Member Jurisdiction

The Member Jurisdiction program has been a component of KCD's approach to partnering with cities since 2006. In response to stakeholder feedback, the 2020 plan expands the pool of dollars available to cities, while also strengthening the guidelines for use of funds.

PROPOSED BUDGET

Program Area	Current		Proposed	
	FTE	Total Program Cost	FTE	Total Program Cost
Clean Water				
Riparian Land Stewardship	2.9	\$517,500	3.0	\$557,300
Rural Land Stewardship	11.0	\$1,891,800	11.5	\$1,992,500
Riparian Restoration/Improvement	7.2	\$1,709,000	7.6	\$1,787,300
Clean Water TOTAL	21.1	\$4,118,300	22.2	\$4,337,100
Forest Stewardship				
Wildfire Preparedness	1.6	\$262,900	1.7	\$337,900
Urban Forest Stewardship	3.3	\$701,000	3.4	\$725,700
Small Lot Forest Stewardship	2.5	\$513,300	3.8	\$678,000
Forest Stewardship TOTAL	7.4	\$1,477,200	8.9	\$1,741,600
Agriculture and Local Food				
Regional Food System	1.6	\$1,147,200	1.7	\$1,192,500
Agricultural Drainage Assistance	2.0	\$385,600	2.1	\$353,700
Community Agriculture	1.6	\$233,900	1.7	\$397,200
Agriculture & Local Food TOTAL	5.3	\$1,766,800	5.6	\$1,943,400
Member Jurisdiction				
Member Jurisdiction TOTAL	1.7	\$1,495,900	1.8	\$1,870,325
TOTAL	35.5	\$8,858,200	38.5	\$9,892,500¹

Member Jurisdiction, Regional Food, Landowner Incentive Cost Share, and the Urban Forestry and Community Ag grant pools are fully funded through rates and charges revenue.

Small Lot Forest Stewardship, Wildfire Preparedness, Riparian Land Stewardship, Riparian Restoration/Improvement and Riparian Land Stewardship all rely on grant funding to varying degrees. Grant sources historically utilized have included: the Washington State Conservation Commission, Puget Sound Partnership NTA-USEPA National Estuary Program, WRIA Opportunity Funds, USDA, US Forest Service, WA DNR, WA Dept of Ecology

¹ The 2020 proposal anticipates \$8.9 million in revenue from rates and charges. KCD anticipates that the remaining \$1 million will be secured through grants obtained in partnership with stakeholders.

PROPOSED RATE STRUCTURE

Rate Structure Per Parcel Per Year					
	Current Structure (established in 2015)		Proposed Structure (2020-2024)		Projected Change per Year
Land Classification	# of Parcels ²	Rate	Projected # of Parcels	Projected Rate	
Agricultural	121	\$10.00	104	\$13.85	\$3.85
Residential	580,469	\$9.45	602,647	\$13.35	\$3.90
Institutional/Public	2,799	\$9.25	2,731	\$13.55	\$4.30
Commercial	19,187	\$9.23	18,725	\$13.20	\$3.97
Open Space	2,343	\$8.92	2,430	\$13.01	\$4.09
Vacant/Undeveloped	44,705	\$7.69	42,970	\$13.00	\$5.31
Average		\$9.62		\$13.32	\$3.70

The KCD rate is a static annual per parcel rate. It is not tied to inflation or property value and does not fluctuate over the period of the Interlocal Agreement.

The proposed rate structure will remain in place from 2020-2024 and at the average, will cost a parcel owner approximately thirty cents (\$0.30) per month.

- ~\$2.00 of the average \$3.70 increase covers inflation for the period 2015-2024.
- ~\$0.85 of the average \$3.70 increase supports shifting programs onto a sustainable revenue stream
- ~\$0.85 of the average \$3.70 increase supports new work called for as part of the 2018-19 stakeholder engagement process

RCW 89.08 provides the legal authority for conservation districts to fix rates and charges to recover district costs. Section 89.08.405(3)(a).

A rate is intended to cover the cost of public programs based on services received or negative impacts imposed. In a 'rate construct' the services received, and the impacts charged may be indirect. Further, the rate may show consideration for "services furnished, to be furnished or available to the landowner", or "benefits received, to be received or available to the property" in addition to other factors.

The King Conservation District rate structure features distinct rates by land use, based on the services/benefits received from District program. The cost of each District program, or natural resource priority, is subject to a two- step allocation process to establish unit costs, the building blocks of rate development. Each priority cost is first allocated between direct and indirect service/benefit provided. Cost recovery is then allocated among customer classes based on the comparative amount of service/benefit enjoyed by each customer class from the resource priority.

² Land classifications and numbers of parcels in each land classification are developed and provided by King County Assessor as of 1/29/2019.