

FLOOD CONTROL ZONE 5 ADVISORY BOARD

MAY 15, 2014

STAFF REPORT

Item 1. Approval of Meeting Minutes for February 10, 2014

Recommended Action: Approve minutes.

Item 2. Open Time for Items not on the Agenda

Comments will be heard for items not on the agenda (limited to three minutes per speaker).

Item 3. Sediment Basin Update

The sediment basin behind the Parkside Café was constructed in fall 2013. The basin is a demonstration project intended to evaluate the effectiveness of sediment management at a site upstream of the Calles bridges. The project permits and construction cost were \$67,000 and the post-storm clean-up and sediment removal costs were \$9,000.

Construction of the sediment basin presented a one-time expense but it is anticipated that the basin will ultimately reduce the frequency of sediment removal at the downstream bridges. It is easier and cheaper to remove sediment from the basin than at 4-5 bridges downstream. When this work is done in the summer time, the site is also dry and does not need a fishery biologist present, which is another cost savings.

Item 4. Zone 5 Cash Flow Status

By 2006 Zone 5 had accumulated \$185,000 in reserves. This surplus has allowed the Zone do extensive maintenance and construct the sediment basin. As a result, reserves have been depleted and decisions about future maintenance and funding must be made. There are insufficient funds to keep up this level of maintenance or construct additional flood control improvement projects. As a special district, Zone 5 receives a portion of the total property tax generated within its boundaries each year and this amount cannot be changed. The annual property tax (ad valorem) revenue collected in the Zone ranges from \$50-60k.

There was a hiatus in sediment management for about 10 years following the listing of the steelhead salmon as there were many unknowns regarding how and if agencies would permit sediment removal activities. During this time, revenue accumulated in the Zone 5 reserves. Permits to remove sediment were acquired in 2006 after extensive negotiations with the permitting agencies. Sediment removal following the listing of the Steelhead Salmon requires the Zone to contract with a certified fishery biologist to move young salmon that may be occupying portions of the stream where we are removing sediment. The permits also require extensive pre, during and post monitoring to document measures that must be performed and to confirm protection of fish and wildlife. These permit requirements are not expected to decrease as these types of permit conditions are standard for work everywhere in the County in creeks that support salmon.

Regulatory agencies have moved from permitting each maintenance activity separately to requiring preparation of a routine maintenance plan for vegetation removal and sediment removal which requires more staff time to prepare, track and report.

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Current Maintenance Program

Maintenance activities since 2006 have included annual vegetation maintenance and sediment removal at the bridges every three to four years. In addition, work now includes maintenance of the sediment basin which could require annual removal of sediment and cleaning after major storm events depending on storm frequency and severity. Also, the sediment basin banks must be revegetated and maintained (watered, weeded, and replaced as necessary) until construction permit requirements for plant survivorship and vegetative cover are met. The estimated annualized expenditures required to sustain this level of maintenance include the following:

Table 1. Estimated "Annualized" Expenditures for the Current Maintenance Program

Activity	Cost Estimate
Staff Administrative Labor (8 hours/week)	\$40,500
Permit Application and Fees	\$2,400
Sediment Removal at Bridges (labor & materials)	\$3,500
In-Creek Vegetation Maintenance	\$6,000
Sediment Removal at Basin (labor & materials)	\$5,000
Endangered Species Consulting	\$1,300
Post-Construction Re-Vegetation & Maintenance	\$11,600
Misc. Services and Supplies	\$4,500
Emergency Reserve Fund	\$0
Total Maintenance Cost	\$74,800
Annual Revenue	\$62,680
Annual Shortfall	\$12,120

Fiscally Sustainable Maintenance Program

A reduced maintenance option could consist of vegetation maintenance with only once annual sediment removal at the basin, setting aside funds until a prudent reserve is established for a significant emergency clean-up effort (about \$100,000). Once that amount of reserves has been accrued, some discretionary sediment removal can be performed at other selected sites. A summary of a fiscally sustainable reduced maintenance program cost estimates are contained in Table 2 below.

Table 2. Estimated "Annualized" Expenditures for the Fiscally Sustainable Maintenance Program

Activity	Cost Estimate
Staff Administrative Labor (6 hours/week)	\$31,750
Permit Application and Fees	\$2,400
Sediment Removal at Bridges (labor & materials)	\$0
In-Creek Vegetation Maintenance	\$6,000
Sediment Removal at Basin (labor & materials)	\$5,000
Endangered Species Consulting	\$0
Post-Construction Re-Vegetation & Maintenance	\$11,600
Misc. Services and Supplies	\$500
Emergency Reserve Fund	\$5,000
Total Maintenance Cost	\$62,250
Annual Revenue	\$62,680

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Based on the anticipated average annual future revenues and the projected total average annual cost for maintenance and operations under the current maintenance program, summarized in Table 1, there is a \$12,120 annual revenue gap. With this same rate of expenditures the Zone will run out of money in 2019 assuming a projected fund balance at the end of FY 2013-14 of \$70,771. At that time the Zone will have to reduce to the fiscally sustainable maintenance program outlined in Table 2 if additional funding is not secured.

Considering the budgetary situation, there are two options available:

- 1) Pass a revenue measure to support current annual vegetation and sediment maintenance program (Table 1) and partially fund capital improvement projects such as creek dredge project and/or bypass and wetland restoration project on NPS lands. (Table 3)
- 2) Reduce maintenance (Table 2) to match current revenues.

Recommended Action: It is recommended that the zone initiate a Fiscally Sustainable Maintenance Program until additional revenues are secured.

Item 5. Stinson Flood Protection and Watershed Program Update

The Stinson Beach Flood Protection and Watershed Program Flood Study evaluated a range of alternatives to increase flood protection and habitat restoration with public and private partners. The Draft Flood Study has been finalized and the final report is posted at www.marinwatersheds.org. The recent Watershed Program work has been focused on identifying sources of funding to implement the projects identified in this study.

A survey was used to solicit feedback from the community on preferred alternatives and to assess willingness to tax themselves to raise funds for implementation. Surveys were sent to residents and owners of property in Stinson Beach. The survey closed on February 14, 2014 and the results have been tabulated. 318 surveys were received. The top ranked alternatives were increased maintenance (27%) followed by the combined bypass, dredge, and wetland enhancement (25%). 72% are willing to pay at least \$250 per year to support the efforts in Stinson Beach. 23% are not willing to contribute towards a solution. For full results please go to http://www.marinwatersheds.org/stinson_beach.html

A range of revenue options were evaluated by staff: special taxes, general taxes, stormwater fees, the transient occupancy tax, grants, and donations.

- **Special tax** – Can be used for a special district, for a specific purpose. Relatively inexpensive ballot preparation cost. No annual reporting required. Requires 2/3rd voter approval by registered voters.
- **General taxes** – Cannot be levied by a special district such the Flood Control District and if a general tax is levied by the County, it cannot be designated for specific purposes such as use in Zone 5.
- **Stormwater fee** – Requires extensive election engineering services for ballot preparation and have substantial annual reporting and administrative cost. Requires 50% voter approval by property owners.

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- Transient Occupancy Tax – Have been allocated Countywide and are not available to be used for specific projects. Taxes are spent on a wide variety of services including fire, sheriff, library, roads, planning, and health and human services. West Marin receives more in services than it collects in revenues.
- Grants and donations – Grants typically require a local match and are not normally offered for maintenance activities such as sediment removal. If an effort moves forward, staff will work with local partners to pursue grant opportunities for Stinson Beach. Donations will be gladly accepted if offered.

Based on our evaluation of these revenue measures, staff identified that a special tax measure is a well-suited revenue collection option for a small special district such as the Marin Flood Control District. Community survey results showed 72% of respondents are willing to pay at least \$250 per year to support flood control efforts in Stinson Beach therefore staff recommends a special tax measure targeting this amount per parcel.

Parcel Tax Strategy

The Watershed Program Policy Advisory Committee met to discuss the survey results and revenue options prior to this Advisory Board meeting and a request was made to set aside some funding to leverage grants and private donations to pursue a combination bypass, dredge, and wetland enhancement. Based on this request, a budget and strategy was developed.

The Stinson Beach Watershed Program staff considered costs for annual creek maintenance as described in Table 1 and long term alternatives including a dredge and the feasibility of constructing restored wetland and floodwater bypass.

Costs for the dredge, wetland, and bypass project are estimates from the Flood Study and Alternatives Assessment with adjustments made to account for environmental compliance and real estate acquisition for easements along the creek.

Table 3. Estimated Parcel Tax Annual Budget

Maintenance Activities	Cost Estimate
<i>Annual Maintenance Cost (per Table 1)</i>	\$74,800
<i>Annual Maintenance Cost</i>	\$74,800

Projects	Annual cost over 20 years
Dredge Easkoot Creek from Arenal to Calle del Arroyo (Total cost \$3.029 M)	\$151,451
Bypass flood flows and Restore wetlands within the National Park Service property (Total cost \$2.338 M)	\$116,924
<i>Total Project Cost</i>	\$268,375

Estimated Annual Cost (For 20 years of maintenance and projects)	\$343,175
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Estimated Annual Revenue (From the \$250/year parcel tax)	\$176,500
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The Table 3 budget figures were incorporated into a fiscal strategy to describe fund allocation.

Stinson Funding Strategy

Note: This draft document reflects discussions to-date among stakeholders regarding a potential funding strategy to reduce riverine flood risks and to maintain Easkoot creek functions for residents and wildlife. It is intended to serve as a focus for continuing discussions leading up to the formulation of a ballot measure and expenditure plan by the Marin County Flood Control and Water Conservation District. Nothing in this draft document should be construed to signify language that may or may not appear on a ballot measure or supporting campaign materials.

(What does it do?)

Purpose: Reduce riverine flooding risk for residents, visitors, and businesses, maintain natural creek functions, reduce sediment entering Bolinas Lagoon, and incorporate habitat enhancements for fish and wildlife.	
What can flood zone funds be used for?	Total cost
<ul style="list-style-type: none"> • Dredge Easkoot Creek from Arenal to Calle del Arroyo • Bypass flood flows within the National Parks Service Property • Restore wetlands within the National Park Service property • Maintain channel conveyance through sediment removal at the bridges and sediment basin and continued annual vegetation maintenance. 	\$7.43 million

(How do we pay for it?)

Zone 5 parcel tax = community contribution (Guaranteed if the tax passes)	48%	\$250/706 developed parcels	\$3.53 million
Private donations and grants share (Target)	52%		\$3.90 million

Staff is seeking a recommendation from the Advisory Board and direction on several items:

1. Support the special tax as the revenue measure to generate the Zone 5 funding needed to pursue alternatives.
2. Support the proposed strategy to raise revenue and target donations towards implementation of alternatives.

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If the Advisory Board recommends moving forward with an election, staff would return to the Board of Supervisors this summer to request funding from the County General Fund for Phase II of the Watershed Program to support the election process.

We will return to your Board to describe next steps if a parcel tax is recommended. The following are tax related decisions that the Advisory Board would need to cover at the next meeting if your Board and the community are supportive of a parcel tax measure.

- 1) Rate - \$250/year/parcel is proposed.
- 2) Tax Rate Adjustments. The current draft strategy leaves the \$250 annual rate unchanged for the entire tax period. An alternative option would be to include annual adjustments based on some benchmark for inflation or changes to costs of living
- 3) Tax Period. The draft assumes the tax will be collected for twenty years from 2015 through 2035, and then will sunset.
- 4) Uniformity of Rate. Current revenue estimates are based on the same rate for all parcels.
- 5) Geographic Coverage of Tax. The current strategy would apply the tax to the entire boundary of Flood Control Zone #5.
- 6) Specific Exemptions. The current strategy does not provide any specific exemptions from the parcel tax. There are several options with respect to exemptions:
 - (a) provide no exemptions (as the current draft does);
 - (b) provide specific exemptions, such as for low-income individuals or low-income seniors; or
 - (c) retain authority to provide exemptions in the future.
- 7) Administration of Tax Ballot language - Review draft language and finalize at our next meeting

Community Meeting #3 is tentatively scheduled for Saturday, June 7, 2014. The survey results, revenue measures, draft strategy and Advisory Board recommendations will be shared and discussed at the meeting. The goal of the community meeting is to get feedback on this approach and the proposed strategy as amended by your Board.

Recommended Action: The Advisory Board recommends that staff present a parcel tax assessment to the community at the June 7 meeting using the strategy presented.

Item 6. Next Meeting

According to the bylaws, the next meeting of the Zone 5 Advisory Board will be August 21st, 2014.