



Board of Supervisors Executive Committee

Dave Morell, Chair
Paul Herrera, Vice Chair
Bryan Yambe, Member

Clerk: Brenna Price, (253) 798-6696

AGENDA

Meeting Date: January 21, 2026
Time: 9:30 a.m.
Place: Pierce County Council Chambers
930 Tacoma Avenue South, Room 1045, Tacoma, WA

Join Zoom Meeting:
<https://piercecountywa.zoom.us/j/97066658692>
(253) 215-8782 Webinar ID: 970 6665 8692

Agenda Items:

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes: September 17, 2025
5. Public Comment

Discussion Items

6. Resolution No. 2026-2, A Resolution of the Pierce County Flood Control Zone District Board of Supervisors Amending the Fund Balance Policy for the Pierce County Flood Control Zone District.
7. Resolution No. 2026-3, A Resolution of the Pierce County Flood Control Zone District Board of Supervisors Relating to the Lower Puyallup River; Initiating the Planning Process for an Action Plan; Directing the Formation of a Task Force to Make Recommendations; and Directing the Development of a Legislative Strategy for State and Federal Support.

Informational Items

8. Financial Report
9. Executive Director Report
10. District Administrator Report
11. Other Business
12. Adjourn

**MINUTES
PIERCE COUNTY FLOOD CONTROL ZONE DISTRICT
BOARD OF SUPERVISORS EXECUTIVE COMMITTEE MEETING
SEPTEMBER 17, 2025**

Minutes of the Pierce County Flood Control Zone District Executive Committee are not verbatim; however, audio recordings are available upon request.

1. Call to Order

The meeting of the Pierce County Flood Control Zone District Board of Supervisors Executive Committee was called to order at 9:33 a.m. by Chair Morell.

2. Roll Call

The Clerk called the roll.

Executive Committee Supervisors present: Dave Morell, Chair; Paul Herrera, Vice Chair; and Bryan Yambe, Member

Council Staff present: Bryan Dominique, Communications Manager

Also Present: Kjristine Lund, Executive Director; Brandon Smith, District Administrator; Emily Romanenko, Ogden Murphy Wallace PLLC.; Mark Schumacher, Maintenance Manager; and Justin Officer, Strategic Planning and Asset Officer.

3. Approval of Agenda

Morell proposed swapping the order of items 8 and 9. Without objection, the agenda was approved as amended.

4. Approval of Minutes

Without objection, the minutes of the August 20, 2025, Flood Control Zone District Executive Committee meeting were approved as presented.

5. Public Comments

Chair Morell called for public comments; there were none.

6. Advisory Committee 2026 Budget Recommendation Letter

Kjristine Lund, Executive Director, stated that the District's budget would be approved at the October 8, 2025, Flood Control Zone District Board of Supervisors meeting and reviewed a letter of recommendation from the Flood Control Zone District Advisory Committee. Lund and Brandon Smith, District Administrator, responded to questions.

7. Motion to Authorize Executive Director to Retain and Pay Insurance Broker

Lund gave of an overview of the service agreement with Brown & Brown Insurance Services, Inc., and responded to a question from Vice Chair Herrera. Vice Chair Herrera moved to authorize the Executive Director to retain and pay an insurance broker; motion seconded and passed on a voice vote.

8. Levee Access

Mark Schumacher, Maintenance Manager, presented a PowerPoint titled "Maintenance and Operations Update," and responded to questions.

9. Presentation of Flood Facility Maintenance Dashboard

Justin Officer, Strategic Planning and Asset Officer, continued presenting the PowerPoint titled "Maintenance and Operations Update." Officer, Schumacher, and Smith responded to questions.

10. Resolution No. 2025-__, A Resolution of the Pierce County Flood Control Zone District Board of Supervisors Amending Resolution No. 2017-3 Establishing Fund Balance Policies for the Pierce County Flood Control Zone District.

Lund explained that the attachment policy in the packet would be included as Exhibit A to the eventual Resolution. Lund reviewed the changes to the fund balance policy and responded to questions. Discussion ensued. Lund stated that she would work the accounting team on to complete the draft resolution which would be before the full Board in January of 2026.

11. Quarterly Financial Statement

Lund reviewed the 2025 Second Quarter Financial Statements.

12. District Administrator Report of Project Expenditures

Smith briefed the Committee on project statuses and an upcoming project dashboard that would include expense information.

13. Other Business

There was no other business.

14. Adjournment

The meeting of the Flood Control Zone District Board of Supervisors Executive Committee adjourned at 10:52 a.m.

Approved:

Dave Morell, Board Chair

Date Approved

Attest:

Audrey Persons
Clerk of the Board

RESOLUTION NO. 2026-2

A Resolution of the Pierce County Flood Control Zone District Board of Supervisors Amending the Fund Balance Policy for the Pierce County Flood Control Zone District.

Whereas, the Pierce County Flood Control Zone District (District) adopted a Fund Balance Policy on September 20, 2017, with Resolution No. 2017-3; and

Whereas, the District established an Opportunity Fund on June 5, 2013, with Resolution No. 2013-2; and

Whereas, the Pierce County Flood Control Zone District Board of Supervisors (Board) desires to clarify definitions of terms used in the Fund Balance Policy for reporting on the Fund Balance to ensure transparency and accountability; and

Whereas, the Board further desires that the Fund Balance Policy set aside funding for the Opportunity Fund; and

Whereas, the Board further desires that the Fund Balance Policy set aside additional funding for the Lower Puyallup Action Plan; and

Whereas, the Board further desires that the Fund Balance Policy no longer include references to the US Army Corps of Engineers General Investigation, which is no longer in effect; and

Whereas, the Board further desires that the Fund Balance Policy provide guidance concerning the desired level of fund balance to be maintained by the District to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures and other related contingencies; **Now Therefore**,

BE IT RESOLVED by the Board of Supervisors of the Pierce County Flood Control Zone District :

Section 1. The board of supervisors adopts the "Fund Balance Policy" attached as Attachment A to this resolution, which replaces and supersedes Attachment A to FCZD Resolution No. 2017-3.

ADOPTED this _____ day of _____, 2026.

ATTEST:

**PIERCE COUNTY FLOOD CONTROL
ZONE DISTRICT**
Pierce County, Washington

Brenna Price
Clerk of the Board

Dave Morell
Flood Control Zone District Chair

**Fund Balance Policy
Pierce County Flood District
January 16, 2026**

1. Policy Intent

- 1.1. The Board of Supervisors of the Pierce County Flood Control Zone District (the District) recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the District and is fiscally advantageous for both the District and its taxpayers. This policy is created in consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services.
- 1.2. This policy is intended to provide guidance to the Board of Supervisors (Board) to establish the appropriate level of unrestricted fund balances to be maintained, the conditions under which the unrestricted fund balance may be used, and the process for reestablishing the unrestricted fund balance after it has been used for an authorized purpose.
- 1.3. Maintaining a fund balance is necessary to protect the district in the event of a decline in property tax revenues, economic downturns, and emergencies for example. While the District itself has a very small administrative cost, it contracts with other jurisdictions, including Pierce County, through interlocal agreements, to deliver programs, projects, and services.
- 1.4. Pierce County relies upon district funding to implement the District's work program including capital projects, maintenance, technical studies, and contract administration.
- 1.5. This policy establishes goals and provides guidance concerning the desired level of fund balance to be maintained by the district to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and other related contingencies.
- 1.6. The Government Accounting Standards Board (GASB) Statement 54 provides direction for fund balance reporting which the District's financial statements will conform.
- 1.7. This policy is written in lay language to provide clarity to the multiple audiences who review

financial information about the district.

2. Fund Balance Definition

- 2.1. The District is authorized under Chapter 86.15 Revised Code of Washington (RCW), and RCW 86.15.130 states the county treasurer of each zone shall establish a flood control fund for each zone into which shall be deposited the proceeds of all tax levies, assessments, gifts, grants, loans, or other revenues which may become available to a zone.
- 2.2. The treasurer shall also establish the following accounts within the zone fund:
 - 2.2.1. For each flood control improvement financed by a bond issue, an account to which shall be deposited the proceeds of any such bond issue; and
 - 2.2.2. An account for each outstanding bond issue to which will be deposited any revenues collected for the retirement of such outstanding bonds or for the payment of interest or charges thereon; and
 - 2.2.3. A general account to which all other receipts of the zone shall be deposited.
- 2.3. The District's funds may only be used for purposes authorized under Chapter 86.15 RCW.
- 2.4. The fund balance is those funds remaining after the District's assets have been used to meet its liabilities.
- 2.5. The fund balance is required to be reported in four components: Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.
 - 2.5.1. Restricted Fund Balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, or through enabling legislation.
 - 2.5.2. The *Committed* Fund Balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. (Opportunity Fund and Large Capital Projects Fund). Assigned Fund Balance classification includes amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed, such as for working capital, and strategic reserves.
 - 2.5.3. *Unassigned* fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.
 - 2.5.4. Unassigned funds may be used for any purpose authorized by Chapter 86.15 RCW and may be designated to express the district's intention to use those funds in a particular manner such as working capital, insurance reserves, and other funding needs of the district.

3. Fund Balances Goals

- 3.1. Prudently plan for and fund future expected costs;
- 3.2. Meet legal, contractual, or existing policy requirements;
- 3.3. Establish fund amounts for anticipated mismatches between revenue and expenditures;
- 3.4. Meet seasonal cash flow shortfalls;
- 3.5. Maintain services during short periods of economic decline;
- 3.6. Meet emergency conditions including flood disasters; and
- 3.7. Provide levy rate stability.

4. Fund Balance Policies

- 4.1. The District's Board of Supervisors is the highest level of decision-making authority and is responsible for establishing the fund balance policy for the district by resolution.
- 4.2. Through the annual budget process, the district will determine a multi-objective fund balance sufficient to meet the following purposes:
 - 4.2.1. The District's required insurance reserve as determined by the District's insurance carrier;
 - 4.2.2. Cash flow reserves shall be maintained at levels so the timing lags between revenues and expenditures are normally covered without incurring negative cash balances.
 - 4.2.3. Funds sufficient to continue district operations and meet contract obligations such as the interlocal agreement with Pierce County to provide services to the flood district for 6 months: working capital reserve in the amount of 6 months of the annual budget will be maintained as part of assigned fund balance.
 - 4.2.4. The value of any inventory balances and prepaid expenses;
 - 4.2.5. To the extent district contracts include wind down or minimum payment requirements, the District will maintain a sufficient fund balance to meet these contract obligations;
 - 4.2.6. The principal of any permanent funds that are legally or contractually required to be maintained intact; and
 - 4.2.7. The balance of any land or other nonfinancial assets held.
- 4.3. The District will review any restrictions imposed by law through constitutional provisions or enabling legislation.
- 4.4. The District will maintain a fund balance equal to the required amount set up in accordance with any debt covenants.
- 4.5. The District will establish and report programmatic fund balances, in accordance with Board approval, as part of committed fund balance. The District will set-aside funds for the following programs as long as these programs are a part of the District's annual budget:

1.1.1. Opportunity Fund allocation for each local jurisdiction is 10% of the annual levy base for the jurisdiction, or \$50,000, whichever is greater.

1.1.2. The District will maintain funds within the Fund Balance for the Lower Puyallup Action Plan and implementation. The District will continue to set aside a minimum of \$1 million per year for this purpose and will increase the set-aside as feasible in the annual capital budget process.

5. Future Capital Program Needs

5.1. The District relies on annual revenue to pay for multi-year capital projects. It takes multiple-years to accrue sufficient resources to implement the full range of capital projects for the District. Funds that are not designated for the fund balance purposes described above are available to be programmed by the District through its annual operating and capital budget process. It is in the interest of the District to use fund balance for the six-year capital improvement program.

6. Restoring Fund Balance

6.1. If the fund balance at fiscal year-end falls below the goal, the District shall develop a restoration plan to achieve and maintain the minimum fund balance.

6.2. Where fund balance deficits exist, a gradual correction of the problem over a multi-year period may be preferable to a large one-time increase.

7. Financial Planning

7.1. The District should aim to establish an ending undesignated fund balance of zero unless stipulated elsewhere.

7.2. Factors to consider in establishing reserves include:

7.2.1. Future expenditures including equipment reserves;

7.2.2. Cash flow requirements to support operating expenses;

7.2.3. Legal or regulatory requirements affecting revenues, disbursements, and fund reserves;

7.2.4. Credit worthiness and capacity to support debt service requirements for enterprise funds;

7.2.5. Relative rate stability from year to year; and

7.2.6. Susceptibility to financial risks, revenue shortfalls or emergency or unanticipated expenses.

8. Strategic Reserve Fund

8.1.1. It is the District's intent to create a strategic reserve with any unallocated balance that is above the amount necessary to achieve the purposes of this policy.

- 8.1.2. The strategic reserve will be replenished by allocating interest income, refunds, project savings, and other unanticipated revenues to the strategic reserve fund.
- 8.1.3. The Executive Committee will make recommendations to the Board of Supervisors about projects, programs, or activities to be funded from the strategic reserve and may do so during the regular annual budget process, or at any regular or special meeting of the Board of Supervisors throughout the year.
- 8.1.4. The strategic reserve fund may be used to fund the following activities:
 - 8.1.4.1. Advance funds to previously approved projects in the six-year CIP that are in a position to use the funding in that fiscal year;
 - 8.1.4.2. Increase the set-aside for the General Investigation local match;
 - 8.1.4.3. Fund one-time capital expenditures;
 - 8.1.4.4. Fund one-time operating costs; and/or
 - 8.1.4.5. Fund emergent needs.
- 8.1.5. It is the District's goal to replenish expenditures from the strategic reserve in section 8.1.4 within three years to a level of \$2.5 million.
- 8.1.6. It is the District's intent that jurisdictions receiving assistance from the strategic reserve demonstrate a local match toward the expenditure as determined by the district administrator.

RESOLUTION NO. 2026-3

A Resolution of the Pierce County Flood Control Zone District Board of Supervisors Relating to the Lower Puyallup River; Initiating the Planning Process for an Action Plan; Directing the Formation of a Task Force to Make Recommendations; and Directing the Development of a Legislative Strategy for State and Federal Support.

Whereas, the Puyallup River Basin originates on the glaciers of Mount Rainier in the Cascade Mountain range, directing a vast amount of water downstream to the Lower Puyallup River Floodplain; and

Whereas, the Lower Puyallup River Floodplain is characterized by a variety of land uses ranging from industrial near the outlet to Commencement Bay, to heavily urbanized residential and commercial in cities, as well as agricultural and rural; and

Whereas, the Lower Puyallup River Floodplain was historically ecologically diverse but has been heavily modified by dredging, levees, construction, and urbanization; and

Whereas, the Lower Puyallup River Floodplain has experienced and is at risk of increased flooding that results in damage to both rural and urban areas throughout the Basin; and

Whereas, flooding disproportionately affects people living in [COUNTY INSERT], which are more likely to be located in a floodplain; and

Whereas, Pierce County found that the economic impacts from flooding in the Lower Puyallup are [COUNTY INSERT]; and

Whereas, ECONorthwest prepared a Flood Risk Assessment and Economic Analysis for Pierce County in 2022 to provide an analysis of the county-wide conditions and impacts to property and infrastructure associated with current and future flooding in Pierce County; and

Whereas, the economic analysis found that damages from a 100-year flooding event in Pierce County are estimated at \$838.9 million for roads and bridges, with road closures causing up to \$3.0 million in costs due to transportation disruptions, and a catastrophic levee breach could cost \$59.3 million from transportation delays; and

1 **Whereas**, sea level rise is expected to inundate large portions of the Port of
2 Tacoma, which is a central hub for imports and exports for Pierce County and is a
3 source of 42,100 jobs and almost \$3 billion dollars of economic activity; and
4

5 **Whereas**, the U.S. Army Corps of Engineers (Corps) found basis for preparing a
6 flood risk management general investigation to address flood risk and issued a draft
7 integrated feasibility report and environmental impact statement in 2016; and
8

9 **Whereas**, the draft feasibility report issued by the Corps found that damage due
10 to the 500-year flood event in the Lower Puyallup River Floodplain could exceed \$3.4
11 billion; and
12

13 **Whereas**, Pierce County has invested \$100 million [COUNTY VERIFY] into flood
14 reduction measures since the draft feasibility report was published in 2016; and
15

16 **Whereas**, approximately \$[COUNTY INSERT] in flood reduction measures have
17 been identified for future projects; and
18

19 **Whereas**, additional investment strategies need to be identified to continue the
20 efforts made since 2016; **Now Therefore**,
21

22 **BE IT RESOLVED by the Board of Supervisors of the Pierce County Flood**
23 **Control Zone District :**
24

25 Section 1. The Pierce County Flood Control Zone District (PCFCZD) Board of
26 Supervisors (Board) directs the PCFCZD Executive Director in partnership with the
27 District Administrator to develop an action plan that provides a programmatic approach
28 to updating and advancing flood risk reduction in the Lower Puyallup, based in part
29 upon the findings of the GI.
30

31 Section 2. The Board directs the formation of a Task Force to be chaired by the
32 Chair of the Pierce County Flood Control Zone District to advocate for, accelerate the
33 implementation of, and support the investment and funding of approved actions, while
34 providing input to the development of the action plan. Invitations to participate on the
35 Task Force shall be extended to:

- 36 ○ Pierce County;
 - 37 ○ Puyallup Tribe;
 - 38 ○ Port of Tacoma;
 - 39 ○ City of Fife;
 - 40 ○ City of Puyallup; and
 - 41 ○ City of Tacoma
- 42

43 Section 3. The Board directs the PCFCZD Executive Director and District
44 Administrator to develop a scope of work to guide the proposed approach in 2027.
45

Section 4. The Board directs the PCFCZD Executive Director and District Administrator to develop a legislative agenda for state and federal engagement with the Lower Puyallup strategy for consideration by the County Executive, County Council, and Board by November 30, 2026.

ADOPTED this _____ day of _____, 2026.

ATTEST:

**PIERCE COUNTY FLOOD CONTROL
ZONE DISTRICT**
Pierce County, Washington

Brenna Price
Clerk of the Board

Dave Morell
Flood Control Zone District Chair