



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

Budget and Fiscal Management Committee

Councilmembers:

Rod Dembowski, Chair;

Jorge L. Barón, Vice Chair;

Claudia Balducci, Teresa Mosqueda, Sarah Perry, De'Sean Quinn, Girmay Zahilay

Lead Staff: April Sanders (206-263-3412)

Committee Clerk: Gabbi Williams (206-477-7470)

9:30 AM

Wednesday, June 11, 2025

Hybrid Meeting

REVISED AGENDA

Hybrid Meetings: Attend King County Council committee meetings in person in Council Chambers (Room 1001), 516 3rd Avenue in Seattle, or through remote access. Details on how to attend and/or provide comment remotely are listed below.

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

HOW TO PROVIDE PUBLIC COMMENT: The Budget and Fiscal Management Committee values community input and looks forward to hearing from you on agenda items.

There are three ways to provide public comment:

1. In person: You may attend the meeting and provide comment in the Council Chambers.
2. By email: You may comment in writing on current agenda items by submitting your email comments to kcccomitt@kingcounty.gov. If your email is received by 8:00 a.m. on the day of the meeting, your email comments will be distributed to the committee members and appropriate staff prior to the meeting.
3. Remote attendance at the meeting by phone or computer (see "Connecting to the Webinar" below).

You may provide oral comment on current agenda items during the meeting's public comment period.



Sign language and interpreter services can be arranged given sufficient notice (206-848-0355).
TTY Number - TTY 711.
Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.



You are not required to sign up in advance. Comments are limited to current agenda items.

You have the right to language access services at no cost to you. To request these services, please contact Language Access Coordinator, Tera Chea at 206 477 9259 or email tera.chea2@kingcounty.gov by 8:00 a.m. three business days prior to the meeting.

CONNECTING TO THE WEBINAR:

Webinar ID: 867 1228 9077

By computer using the Zoom application at <https://zoom.us/join> and the webinar ID above.

Via phone by calling 1 253 215 8782 and using the webinar ID above.

HOW TO WATCH/LISTEN TO THE MEETING REMOTELY: There are several ways to watch or listen in to the meeting:

- 1) Stream online via this link: <http://www.kingcounty.gov/kctv>, or input the link web address into your web browser.
- 2) Watch King County TV on Comcast Channel 22 and 322(HD) and Astound Broadband Channels 22 and 711(HD)
- 3) Listen to the meeting by telephone – See “Connecting to the Webinar” above.

To help us manage the meeting, if you do not wish to be called upon for public comment please use the Livestream or King County TV options listed above, if possible, to watch or listen to the meeting.

1. **Call to Order**

2. **Roll Call**

3. **Approval of Minutes** p. 5

May 28, 2025 meeting minutes

4. **Public Comment**

To show a PDF of the written materials for an agenda item, click on the agenda item below.



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Discussion Only

5. [Proposed Ordinance No. 2025-0159](#) p. 8

AN ORDINANCE making a net supplemental appropriation of \$103,171,000 to various general fund agencies, a net supplemental appropriation of \$140,221,000 to various non-general fund agencies and a net supplemental appropriation of \$173,447,701 from various capital fund budgets; and amending the 2025 Annual Budget Ordinance, Ordinance 19861, Sections 16, 18, 20, 29, 32, 33, 35, 41, 42, 45, 46, 47, 48, 49, 50, 51, 52, 54, 55, 64, 71, 80, 90, 90, 94, 97, 98, 103, 104, 107, 109, 109, 110, 114, 115, 115, 121, 123, and 130, as amended, and Attachment A, as amended, and adding new section to Ordinance 19861.

Sponsors: Dembowski

Contingent Upon Referral to the Budget and Fiscal Management Committee

April Sanders, Council staff

Discussion and Possible Action

6. [Proposed Ordinance No. 2025-0129](#) p. 121

AN ORDINANCE relating to rates and charges for sewage treatment and disposal; and amending Ordinance 12353, Section 2, as amended, and K.C.C. 4A.670.100, Ordinance 18745, Section 2, as amended, and Ordinance 11398, Section 1, as amended, and K.C.C. 28.84.055.

Sponsors: Balducci

Jenny Giambattista and Andy Micklow, Council staff

Briefing

7. [Briefing No. 2025-B0091](#) (no materials)

Proposed Safe and Stable Communities Sales Tax

Dwight Dively, Director, Office of Performance, Strategy, and Budget



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Discussion and Possible Action

8. [Proposed Ordinance No. 2025-0132](#) p. 244

AN ORDINANCE relating to the sale of the property, the Village at Overlake Station, located at 2578 152nd Ave NE, Redmond, Washington, in council district six.

Sponsors: Dembowski

Mary Bourguignon, Council staff

Briefing

9. [Briefing No. 2025-B0092](#) (no materials)

Renewable Natural Gas Processing Facility Acquisition and Settlement with BioEnergy Washington

John Taylor, Director, Department of Natural Resources and Parks

Lindy Honaker, Special Projects Manager, Solid Waste Division

Rich Anderson, Senior Deputy Prosecuting Attorney, Prosecuting Attorney's Office

Other Business

Adjournment



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Meeting Minutes Budget and Fiscal Management Committee

Councilmembers:

*Rod Dembowski, Chair;
Jorge L. Barón, Vice Chair;
Claudia Balducci, Teresa Mosqueda, Sarah Perry, De'Sean
Quinn, Girmay Zahilay*

*Lead Staff: April Sanders (206-263-3412)
Committee Clerk: Gabbi Williams (206-477-7470)*

9:30 AM

Wednesday, May 28, 2025

Hybrid Meeting

DRAFT MINUTES

1. **Call to Order**

Chair Dembowski called the meeting to order at 9:32 a.m.

2. **Roll Call**

Present: 7 - Balducci, Barón, Dembowski, Mosqueda, Perry, Quinn and Zahilay

3. **Approval of Minutes**

Councilmember Barón moved approval of the May 14, 2025 meeting minutes. There being no objections, the minutes were approved.

4. **Public Comment**

There were no individuals present to provide public comment.

Consent

5. [Proposed Ordinance No. 2025-0089](#)

AN ORDINANCE authorizing the executive to execute an airspace lease agreement with the Washington state Department of Transportation for land and facilities in the State Route 520 interchange at Montlake Boulevard for a term of twenty years with the possibility of two twenty-year extensions; and to take all actions necessary to implement the terms of the lease.

A motion was made by Councilmember Barón that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:

Yes: 7 - Balducci, Barón, Dembowski, Mosqueda, Perry, Quinn and Zahilay

Discussion and Possible Action

6. [Proposed Ordinance No. 2025-0119](#)

AN ORDINANCE relating to the funding and provision of Medic One emergency medical services; providing for the submission to the qualified electors of King County, at special election on November 4, 2025, of a proposition to fund the countywide Medic One emergency medical services by authorizing the continuation of a regular property tax levy for a consecutive six year period, for collection beginning in 2026, at a rate of \$0.25 or less per \$1,000 of assessed valuation, to provide for Medic One emergency medical services.

Gene Paul and Olivia Brey, Council staff, briefed the committee and answered questions from the members.

Councilmember Barón moved Striking Amendment S1. The Amendment was adopted.

A motion was made by Councilmember Barón that this Ordinance be Recommended Do Pass Substitute. The motion carried by the following vote:

Yes: 7 - Balducci, Barón, Dembowski, Mosqueda, Perry, Quinn and Zahilay

7. [Proposed Ordinance No. 2025-0118](#)

AN ORDINANCE accepting and approving the Medic One/Emergency Medical Services 2026-2031 Strategic Plan submitted by the executive.

Gene Paul and Olivia Brey, Council staff, briefed the committee and answered questions from the members.

Councilmember Barón moved Amendment 1. The Amendment was adopted.

A motion was made by Councilmember Barón that this Ordinance be Recommended Do Pass Substitute. The motion carried by the following vote:

Yes: 7 - Balducci, Barón, Dembowski, Mosqueda, Perry, Quinn and Zahilay

Discussion Only

8. [Proposed Ordinance No. 2025-0129](#)

AN ORDINANCE relating to rates and charges for sewage treatment and disposal; and amending Ordinance 12353, Section 2, as amended, and K.C.C. 4A.670.100, Ordinance 18745, Section 2, as amended, and Ordinance 11398, Section 1, as amended, and K.C.C. 28.84.055.

Jenny Giambattista and Andy Micklow, Council staff, briefed the committee and answered questions from the members. Kamuron Gurol, Director, Wastewater Treatment Division, also addressed the committee and answered questions from the members.

This matter was Deferred

Other Business

There was no other business to come before the committee.

Adjournment

The meeting was adjourned at 11:08 a.m.

Approved this _____ day of _____

Clerk's Signature



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	5	Name:	Legislative Analyst Team (April Sanders)
Proposed No.:	2025-0159	Date:	June 11, 2025

SUBJECT

An ordinance making net supplemental appropriations to General Fund agencies, non-General Fund agencies, and capital fund budgets as part of the 2025 1st Omnibus.

SUMMARY

The proposed ordinance (referred to as the 2025 1st Omnibus, 1st Omnibus, or Proposed Ordinance 2025-0159) would make a net supplemental appropriation of \$416.8 million of which \$92.8 million would be supported by the General Fund. This would support a net increase of 18.0 FTEs and 1.0 TLTs. Table 1 below shows the 2025 Adopted Budget, and the additions proposed in this ordinance. If approved, the additions in the proposed ordinance would increase the total 2025 biennial revised budget to approximately \$416.8 million, a 4.1% increase to the adopted annual budget.

Table 1. Adopted vs. Proposed

Major Fund	2025 Adopted Budget¹	2025 1st Omnibus as Proposed
General Fund	\$1,285 mil	\$103.2 mil
Non-General Fund	\$7,000 mil	\$140.2 mil
Capital Improvement Program	\$1,944 mil	\$173.4 mil
	\$10,229 mil	\$416.8 mil

The Executive's proposal includes mostly technical adjustments, reappropriations from the 2023-2024 biennium and prior biennia, and some new requests. Proposals of note include the following:

¹ Ordinance 19861 [King County - File #: 2024-0299](#)

- *King County Metro*: \$26.1 million in safety and security improvements for Metro operators and passengers.
- *Criminal Justice/Legal System*: \$25.9 million in adds to maintain current levels of service in criminal justice and legal system agencies, including the King County Sheriff's Office, the Department of Public Defense, the Department of Adult and Juvenile Detention, and Jail Health Services.
- *Vacancy Rate Contra Adjustments*: Lower or eliminate the vacancy rate contra (assumed salary savings) in the Department of Public Defense, Department of Adult and Juvenile Detention, and the King County Sheriff's Office, requiring additional General Fund appropriation authority. These agencies, due to recruitment and hiring efforts, have fewer vacancies and therefore reduced salary savings.

ANALYSIS

General Fund. The 2025 1st Omnibus would appropriate an additional \$103.2 million to support General Fund agencies. This includes \$103.3 million in additions to General Fund agencies, a net increase in revenue of \$10.4 million, and \$143,000 in General Fund reductions. The proposed General Fund increases, offset by revenue increases and General Fund reductions, results in a net increase to the General Fund of \$92.8 million.

Ending Undesignated Fund Balance. Executive staff provided an updated General Fund Financial Plan, included as Attachment 5 to this staff report, which shows an estimated *Ending Undesignated Fund Balance* for the 2025 budget of \$66.8 million, which is consistent with the 2025 adopted budget. The County's Comprehensive Financial Management Policies (CFMP) suggest a 6% to 8% reserve policy target.

Rainy Day Reserve. As per the CFMP, the *Rainy Day Reserve* is designed to offset unknown and known risks, variable costs, and unanticipated revenue fluctuations and should be equal to 30-60 days of expenditures. The *Rainy Day Reserve Fund* can only be used in the event of an emergency declared by the Council. The 2025 adopted annual budget shows the *Rainy Day Reserve* at \$27 million, which remains consistent in the updated General Fund Financial Plan.

Proposed Appropriations Details. The following sections provide analysis on the supplemental appropriations as proposed in the transmitted ordinance. The analysis begins with the General Fund appropriation units, followed by appropriation units aligned to non-General Funds, and lastly the Capital Improvement Program funds. Each item within an appropriation unit includes a description of the proposed change. If relevant, subheadings will show how much of the proposed appropriation is revenue-backed and whether the appropriation is one-time or ongoing.

The description of changes within each appropriation unit will be grouped by the following decision types:

1. New Policy: Appropriation request that would require new policy direction from Council;
2. Reappropriation: Appropriation request of funds that were already approved for a previous biennial budget but that have not been spent, have lapsed, and would require Council approval for use in 2025; and
3. Technical: Appropriation requests that make technical accounting changes necessary to carry out policy direction approved during the 2025 adopted annual budget or correct any other technical errors.

GENERAL FUND²

\$103.2 million

Summary

The total supplemental appropriation to the General Fund would be \$103.2 million. This includes \$103.3 million in additions to General Fund agencies, a net increase in revenue of \$10.4 million, and \$143,000 in General Fund reductions. The proposed General Fund appropriations, offset by revenue increases and General Fund reductions, results in a net increase to the General Fund of \$92.8 million.

General Fund Update

Based on the updated General Fund Financial Plan, dated May 15, 2025, (Attachment 5 to this staff report), the agency estimates an *Ending Fund Balance* of \$200 million. The plan also estimates *Risk Reserves*³ at \$118.3 million, a \$96.6 million increase from the projections in the adopted 2025 Annual Budget.

As mentioned above, the plan provides an *Ending Undesignated Fund Balance*⁴ of \$66.8 million for the 2025 current budget, which is over the 6% minimum reserve policy by \$16.7 million. The County's Comprehensive Financial Management Policies suggest a 6% to 8% target. The *Rainy Day Reserve Fund*, at \$27 million, can only be used in the event of an emergency declared by the Council.

² The County's General Fund supports the traditional functions of a county government, much of which are required by State law. A significant portion of General Fund expenditures are supported by revenue from other governments or from other County funds. Approximately three-quarters of current total net General Fund appropriations are accounted for by public safety and criminal justice services.

³ The Risk Reserve, as noted in the General Fund financial plan, sets aside fund balance to mitigate known and unknown risks.

⁴ For comparative context, Ending Fund Balance reflects Beginning Fund Balance and revenues less expenditures and other fund transactions, and is not the same as Ending Undesignated Fund Balance, which additionally accounts for reserves.

When asked what led to the \$96.6 million increase in Risk Reserves between the 2025 Adopted Budget and the current budget, Executive staff indicated that risk reserve is used for two purposes: (1) to set aside General Fund balance for specific known risks, and (2) to manage timing differences between revenues and spending across the budget period. In this case, the increase is primarily the latter. Executive staff state that there were a few large revenue deposits into the General Fund at the end of 2024 that were not yet known when the 2025 Annual Budget was adopted, and a few large expenses not completed prior to the end of 2024.

Council staff also requested an update on the health of the General Fund. Executive staff state that the General Fund is estimated to end the 2025 budget period with a fund balance meeting the 8% undesignated fund balance target. However, a structural deficit still exists between the growth in expenditures and revenues, resulting in a projected deficit of \$177.5 million⁵ at the end of the 2026-2027 biennium.

Executive staff state that this projected deficit is estimated to be eliminated through two sales tax changes passed by the State Legislature in the 2025 Legislative Session.

- SB 5814, which expands the sales tax base to include services which did not previously collect sales tax; and
- ESHB 2015, which provides Counties the authority to implement a 0.1% sales tax for criminal justice purposes.

Office of Performance, Strategy, and Budget**\$0, 1.0 FTEs****NEW POLICY**

Harborview Budget Analyst TLT Conversion [\$0]. The proposed ordinance would convert a TLT to 1.0 FTE for a Harborview budget analyst that would be charged to the Harborview 2020 Prop 1 Bond Fund (F3750). In March 2025, a TLT budget analyst was hired to staff Harborview. Executive staff state that “it is anticipated that the County Hospital portfolio will need continuing budget and fiscal support as the Bond and Hospital Levy funds will continue on a long-term basis.” This decision package would make this position permanent and pay for it with 2020 Prop 1 Bond dollars. The estimated cost for this position in 2026 is \$211,000 including salary and benefits.

Office of Climate**\$466,010****NEW POLICY**

Grant Funding [\$150,585, revenue-backed]. The proposed ordinance would appropriate approximately \$151,000 in grant funding for externally funded programs, including Commercial Property Assessed Clean Energy and Resiliency (C-PACER),

⁵ Note, this is an increase from the estimate of \$150 million deficit in the 4th Quarter of 2024, due to an increase in expenditure estimates in 2025.

King County-Cities Climate Collaboration (K4C), and the Green Jobs External Partnership. These moneys will be received and are expected to be spent in 2025.

As background, C-PACER provides lower-interest loans for projects that lower utility bills and save money on energy costs; K4C is a partnership of local governments working to accelerate climate action; and the Green Jobs Partnership helps connect graduates of local skilled trades pre-apprenticeship programs to local contractors for paid internships.

REAPPROPRIATION

2024 Grant Appropriations [\$315,425]. The proposed ordinance would reappropriate approximately \$315,000 in 2024 grant revenue and expenditure authority for programs including C-PACER, K4C, Green Jobs Partnership, Switch is On, and the Coalition for Climate Careers. The first three programs are described in the decision package above. Switch is On provides incentives and tax credits for heat pumps and other appliances and the Coalition for Climate Careers connects frontline communities to living wage employment opportunities in the climate career spectrum.

Programs are expected to fully expend remaining 2024 grant moneys in 2025.

King County Sheriff's Office

\$13,517,398, 10.0 FTEs

NEW POLICY

Additional Overtime for Contract Partners [\$8,000,000, revenue-backed, ongoing].

The proposed ordinance would appropriate \$8,000,000 in fully revenue-backed funding to support additional overtime for local jurisdictions contracting with KCSO for law enforcement services. According to the Executive, this funding is necessary for KCSO to fulfill its contractual obligations and prevent service reductions.

Vacancy Rate Contra [\$2,000,000, ongoing]. The proposed ordinance would appropriate \$2 million to reduce the assumed salary savings KCSO anticipated from vacancies in 2025. With the high number of vacancies experienced over the last several years, KCSO has used salary savings to cover overtime and other non-labor account⁶ expenditures above budgeted levels. According to the Executive, the vacancy averages for 2025 are substantially lower than the averages used to calculate the assumed savings included in the 2025 Annual Budget.⁷ As a result, current projections show that overtime and non-labor account expenditures will exceed salary savings, and the additional funding is necessary to cover those costs. The Executive stated further that the additional funding will likely prevent further reductions in service, which would otherwise be necessary.

⁶ According to KCSO, "non-labor accounts" are supply and service accounts including items such as uniforms, computers, tasers, ammunition, software licenses, training, and other necessary law enforcement equipment that ensures officers can properly conduct their work.

⁷ Ordinance 19681

Metro Transit Contract Adds [\$1,344,265, partially revenue-backed, ongoing, 10.0 FTEs]. The proposed ordinance would appropriate approximately \$1.3 million and 10.0 deputy FTE positions to augment the Metro Transit Police Department, which contracts with KCSO for law enforcement services. The positions are fully revenue-backed, however there are initial one-time costs of approximately \$183,000 which are borne by KCSO and paid for by the General Fund.

Hiring and Referral Incentive Payments [\$396,250]. The proposed ordinance would appropriate approximately \$396,000 in one-time expenditures for hiring and referral incentive payments due in 2025. The initial hiring and referral incentive program, which was approved by the Council in 2022⁸, was set to end on December 31, 2024. In early 2025 however, the program was partially amended and extended.⁹ As a result of the program extension, KCSO has incurred new payment liabilities for 2025, and additional funding is requested to cover these costs.

It should be noted that, unlike the appropriation approved in the 2025 Annual Budget for the hiring and referral incentive program, there is no revenue associated with the proposed supplemental request. This is because the Cost Books for 2025 were provided to contract entities prior to the extension of the incentive program. Therefore, contract entities were not billed for any extended program costs.

Lakes Washington and Sammamish Buoy Maintenance [\$157,000, revenue-backed, ongoing]. The proposed ordinance would appropriate \$157,000 to fund contracts for the installation and maintenance of buoys on lakes Washington and Sammamish. According to the Executive, most of these buoys are the responsibility of various cities, and the expenses will be reimbursed.

Basic Training Unit Facility Use Agreement [\$142,000, ongoing]. The proposed ordinance would appropriate \$142,000 to support a new Facility Use Agreement¹⁰ between KCSO's Basic Training Unit (BTU) and the King County International Airport (KCIA). For decades, the BTU has been housed at the Criminal Justice Training Commission (CJTC) in the City of Burien free of charge. Due to growth at CJTC however, KCSO was required to vacate the property by May 1, 2025. According to the Executive, with KCSO lacking sufficient space at its existing facilities, the Facilities Management Division identified available space for rent at KCIA which could accommodate the BTU and has the potential of housing the Advanced Training Unit in the future; creating a single site for KCSO and regional law enforcement training.

⁸ Ordinance 19472 & 19492

⁹ [\\$5,000 Employee Referral Bonus Program \(MOA# 000U0424\)](#) & [KCSO Lateral Hire Deputy Bonus Program MOU](#)

¹⁰ [Final KCSO KCIA Facility Use Agreement](#)

This appropriation would support new rent payments by KCSO to KCIA which is not currently budgeted. The rental expense is estimated at \$142,000 for 2025 and \$200,000 annually in future years.

Supplies and Equipment [\$354,000, partially revenue-backed, ongoing]. The proposed ordinance would appropriate a total of \$354,000 in one-time funding to provide supplies and equipment to various KCSO and contract partner personnel. The proposed appropriation includes:

- \$156,000 to equip the recently approved Rapid Deployment Force with Personal Protection Equipment, such as masks, which allow for communication between officers while providing protection from exposure to chemical irritants, and two deployment vehicles acquired from the King County Fleet Services Division;
- \$100,000 to purchase medical kits, including automated external defibrillators, for on-duty patrol officers;
- \$68,000 to provide upgrades and additions to operational equipment within the Criminal Investigations Division including renewal of processing equipment for digital forensics, two drones for the major accident reconstruction unit, and audio/visual recording equipment for undercover operations tied to human trafficking; and
- \$30,000 to provide contract partners with IT equipment capable of accessing KCSO networks. This portion of the request is fully revenue-backed as the contract agencies will be charged for the cost of the equipment.

REAPPROPRIATION

KCSO Marine Unit Safe Boat Engine Replacement and Electrical Upgrades [\$231,000]. The proposed ordinance would reappropriate \$231,000 in one-time funding associated with replacing the engines and upgrading electrical systems in KCSO's Safe boat. The Council previously approved \$330,000 for this project in the 2023-2024 3rd Omnibus,¹¹ however certain parts were not delivered, and the work was not completed, until 2025. The proposed reappropriation is needed to cover those costs which extended into 2025.

TECHNICAL

Marshals' Guild Settlement [\$528,000, ongoing]. The proposed ordinance would appropriate \$528,000 to support increased labor costs associated with the final binding interest arbitration award included in the recently approved collective bargaining agreement with the Marshals' Guild.¹²

Body-Worn Camera Axon Contract [\$234,883, ongoing]. The proposed ordinance would appropriate approximately \$234,000 to fully fund KCSO's body-worn camera contract with Axon. The amount approved for the Axon contract in the 2025 Adopted

¹¹ Ordinance 19791

¹² Ordinance 19890

Budget did not include funding for storage and video redaction support. The proposed appropriation would correct that error and cover all remaining contract costs.

KCSO Renton Airport Hangar Lease [\$130,000, ongoing]. The proposed ordinance would appropriate \$130,000 to cover increased costs associated with the recently approved lease extension agreement between KCSO and the Renton Municipal Airport, which supports KCSO's Special Operations Division, including the Air Unit, K9 Unit, and Tac-30 (SWAT) Unit.¹³

Parking Facilities	\$122,000
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TECHNICAL

Goat Hill Garage Administration [\$122,000, revenue-backed]. The proposed ordinance would appropriate \$122,000 in additional General Fund revenue for the operator of the Goat Hill Garage to support increased labor costs and banking fees. This decision package is fully revenue-backed. Executive staff indicate that the increase in labor costs is driven by two factors: (1) increased staffing during the installation of new equipment in Goat Hill Garage and (2) updated staffing estimates for special events in 2025, including FIFA World Cup Preliminary Matches.

Superior Court	\$598,174
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REAPPROPRIATION

Trial Court Improvement Funds [\$598,174, revenue-backed]. The proposed ordinance would reappropriate approximately \$598,000 of unspent State of Washington Trial Court Improvement Act (TCI) Fund moneys from the 2023-2024 Biennial Budget. If approved, this would bring the total appropriation of TCI moneys to \$883,174 in 2025.

Superior Court receives approximately \$285,000 of TCI moneys from the state annually.¹⁴ The bench makes recommendations for various projects and other eligible court improvements. Examples of projects supported with TCI moneys include replacing courtroom video systems and electronic reader boards, security training, judicial training, community outreach and education events, supporting the Patricia Clark Children and Family Justice Center Youth Action Teams, and developing a toolkit to assess physical, programmatic, and digital accessibility for court users with disabilities.

¹³ Ordinance 19927

¹⁴ RCW 3.58.060.

REAPPROPRIATION

Trial Court Improvement Act Reappropriation [\$300,000, revenue-backed]. The proposed ordinance would reappropriate a portion of District Court's Trial Court Improvement Account funding received by the State in prior years. Moneys distributed by this Account are appropriated by legislative authorities and must be used to fund improvements to court staffing, programs, facilities, and services.

TECHNICAL

Interpreter Funding [\$724,799, revenue-backed]. The proposed ordinance would appropriate funding from the Administrative Office of the Courts for interpreters. This is revenue-backed by new funding for the State 2025-2026 fiscal year, as well as reappropriated funding from the State 2024-2025 fiscal year. Executive staff indicate that the District Court is requesting that funding be moved from revenue to expenditure authority in 2025.

Department of Judicial Administration (DJA)**\$305,000****NEW POLICY**

Drug Court Housing Units [\$105,000, revenue-backed]. The proposed ordinance would appropriate \$105,000 for additional housing units for Drug Court participants. This appropriation would be fully backed by Criminal Justice Treatment Account (CJTA) moneys from the state.¹⁵

DJA contracts with providers such as Weld Seattle, Kate's House, and Alcoholics and Addicts Helping Alcoholics and Addicts (AAHAA), to provide approximately 12 months of interim housing to Drug Court participants in a recovery supportive environment. According to Executive staff, CJTA moneys cover the cost of rent, essential client supplies provided within housing, on-site housing case management, and housing move-in fees and deposits to assist participants in transitioning from interim to permanent, market-rate housing.

Executive staff report that there has been an increase in the number of Drug Court participants, which has resulted in the need for more housing units. DJA has secured six additional units (four with Kate's House and two with AAHAA) – absorbing most of the increased cost with existing appropriation authority. Additional expenditure authority,

¹⁵ King County receives about \$2.5 million annually in state CJTA funding. CJTA moneys are administered by the Health Care Authority Community Behavioral Health Program and must be expended on drug courts and/or treatment services for individuals with a substance use disorder against whom charges have been filed by a county prosecuting attorney (RCW 71.24.580). In King County, the moneys are primarily used by Drug Court; some of the funding is also used by Jail Health Services to support substance use disorder services for people in jail with eligible charges but who are not enrolled in Drug Court.

however, is needed for the CJTA moneys. DJA currently has \$1,308,500 in CJTA expenditure authority, so this additional appropriation would bring the total to \$1,413,500.

REAPPROPRIATION

Protection Order Offices [\$200,00]. The proposed ordinance would reappropriate \$200,000 of General Fund from the 2023-2024 Biennial Budget to relocate and redesign protection order offices at the King County Courthouse (KCCH) and the Maleng Regional Justice Center (MRJC). According to budget materials, the goal of the project is to improve safety and ensure adequate space for customers and staff.

DJA provides customer assistance throughout the protection order process. According to the Department, the current location of the protection order office on the sixth floor of the KCCH is not ADA accessible. It also has one exit and, in a volatile situation, the staff have no way of leaving the space. DJA identified a safer location for the office (also on the sixth floor of the courthouse), completed design, and is waiting for the furniture to arrive. The project is expected to be completed this summer, and the new space will be ADA accessible.

DJA states that, at the MRJC, the current configuration of the protection order office does not meet the needs for the increased volume of customers.¹⁶ The space also has ventilation and air quality issues that have generated health safety concerns. DJA started design work to reconfigure the space in 2024, and the project is expected to be completed in 2025. Executive staff confirm that the total project cost for both spaces is \$200,000, and the project was initiated last year based on expected underspend.

Internal Support

\$5,900,000

NEW POLICY

DPD Settlement [\$3,100,000]. The proposed ordinance would appropriate \$3.1 million in General Fund revenue to pay out the LaRose settlement on behalf of the Department of Public Defense. The LaRose settlement is related to a hostile work environment claim. More information can be found in the ORMS's "Quarterly Report of Closed Claims with Indemnity Payments of \$100,000 or More" and policy staff can provide the report to Councilmembers at their request.

TECHNICAL

COVID Funding Transfer [\$2,800,000]. The proposed ordinance would transfer \$2.8 million from Internal Support to the Arts and Cultural Development Fund for COVID related expenditures that have already occurred but were not reimbursed before the end of 2024. The expenses related to this adjustment were incurred by 4Culture in 2024,

¹⁶ For information on the increased number of protection order cases, see materials for Motion 16598.

but the transfer from the County to 4Culture was made on January 2, 2025, and therefore needs to be appropriated in the 2025 Annual Budget.

External Support

\$8,472,000

REAPPROPRIATION

CLFR Project Reappropriations [\$8,472,000]. The proposed ordinance would reappropriate \$8.5 million for CLFR-funded projects added in the 2023-2024 4th Omnibus, as well as the bond-backed Energize Heat Pump Program within the Department of Local Services. Executive staff anticipate these moneys will be spent down in 2025.

TECHNICAL

Grantee Changes [\$0]. The proposed ordinance would make two changes to ER2, which restricted moneys for various capital projects to be bond funded in 2025. First, it would change the name of one grantee from Center of Success Project to Access to Our Community (ATOC). Executive staff indicate that Center of Success notified the County that they did not have the capacity to manage a large capital project. Center of Success requested that ATOC act as a passthrough to complete the work. Further, Center of Success indicated that they will have a space in the ATOC capital project to run their proposed childcare facility.

Second, under the grantee "Abu Bakr Islamic Center Shared Kitchen Project", it would remove the reference to the shared kitchen and instead just include the grantee name. Executive staff indicate that the grantee is requesting this change to include other renovations to the site beyond the kitchen.

GF Transfer to Department of Local Services (DLS)

\$2,296,000

TECHNICAL

Previously Funded DLS Program [\$2,296,000]. The proposed ordinance would appropriate approximately \$2.3 million in General Fund revenue to DLS for a COVID relief program called the Unincorporated King County Economic Alliance approved in prior budgets. The appropriation for this expenditure within DLS was approved in the 2025 Adopted Budget. This would double budget that expense to allow for the General Fund revenue transfer to the Department.

Executive staff state that the original budget for the Unincorporated King County Economic Alliance Program was \$5.3 million, with \$2.3 million remaining. The Program provides community-based, low-barrier, and high-support workforce development and entrepreneurial training; provides technical assistance for small businesses; and offers small business incubation resources.

GF Transfer to Department of Community and Human Services (DCHS) \$40,472,449

REAPPROPRIATION

Health through Housing and Housing Finance Program Reappropriations [\$9,402,816]. The proposed ordinance would reappropriate approximately \$9.4 million in expenditure authority from the 2023-2024 1st Omnibus for Health through Housing (HtH) and the Housing Finance program. In the 2023-2024 1st Omnibus, Council reappropriated unspent City of Seattle jail divestment funding for the acquisition and operation of HtH projects. Approximately \$6.6 million of that was used to purchase and operate the HtH facility in Capital Hill. Of the \$9.4 million being reappropriated in this decision package, \$4.4 million is for HtH services cost awarded to the Lavender Rights Project, focused on providing permanent supportive housing for gender diverse individuals who are disproportionately incarcerated. The remaining \$5 million will be released in the Housing Finance Program's July 2025 RFP, pursuant to the County's agreement with the City of Seattle, for capital costs to provide new affordable housing and community space in Seattle that diverts youth and young adults from the legal system. Executive staff anticipate that these moneys will be spent in 2025.

2023-2024 4th Omnibus Reappropriations [\$6,300,000]. The proposed ordinance would reappropriate General Fund-backed projects approved in the 2023-2024 4th Omnibus that will be expended in 2025.

TECHNICAL

Civil Legal Services Adjustments [\$152,000]. The proposed ordinance would appropriate \$152,000 in General Fund revenue to the Department of Community and Human Services (DCHS) for civil legal aid services that the Council restricted in ER2 on the Community Services Operating fund. The addition by the Council in the 2025 Annual Budget was described as an add and an accompanying expenditure restriction, but the additional appropriation authority was inadvertently not included in the General Fund Transfer to DCHS. This decision package would correct that error.

Previously Funded DCHS Programs [\$24,617,633]. The proposed ordinance would appropriate approximately \$24.6 million in COVID relief funding to DCHS for programs that were approved in prior budgets. All dollars being appropriated are already under contract:

- \$12 million for a contract with DCHS's Behavioral Health and Recovery Division (BHRD) for programs covering the Downtown Emergency Services Center (DESC) capital projects, DESC permanent supportive housing, DESC Health through Housing, and the Culturally Appropriate Behavioral Health Care Services Project; and
- \$12.6 million within DCHS's Housing and Community Development Division (HCD) for programs including the SoDo Lighthouse, Burien Lot, Eagle Village, Tiny House Villages, Jefferson Night, and St. Charles Shelters.

GF Transfer to Department of Executive Services (DES)**\$2,267,000****TECHNICAL**

Previously Funded Risk Management/FBOD Programs [\$2,267,000]. The proposed ordinance would appropriate approximately \$2.3 million in General Fund revenue for programs that were previously approved in the 2025 Annual Budget for the Office of Risk Management (ORMS) and the Finance and Business Operations Division (FBOD). This decision package would double budget the expenditure authority to allow for the accompanying General Fund transfer. The previously approved programs include:

- Within ORMS, this appropriation would be for vaccine litigation costs. ORMS expects the entirety of the funding to be used in 2025.
- Within FBOD, this appropriation would be for operations work to manage COVID relief programs and funding. FBOD confirms that all of this appropriation will be used in 2025.

GF Transfer to Department of Public Health**\$3,530,000****TECHNICAL**

GF Transfer Technical Adjustment [\$3,530,000]. The proposed ordinance would appropriate \$3,530,000 for programs that were previously approved in prior budgets. This includes \$1,778,128 to complete the Medical Examiner's Office (MEO) CT scanner project from the previous biennium (described in the Public Health section of this staff report), and \$1,751,062 for the Regional Gun Violence program. The gun violence funding was previously supported by Coronavirus State and Local Fiscal Recovery (CLFR) moneys and supports program expenditures consistent with the proviso report transmitted last fall as 2024-RPT0116.¹⁷

In the Plan "Identifying Revenue to Replace Federal Funding for Gun Violence Prevention", the following outline was provided of gun violence prevention programming supported by CLFR dollars:

1. Regional coordination, by Public Health staff;
2. The Regional Peacekeepers Collective, community violence interventions by contracted community organizations through an intermediary, the Center for Children & Youth Justice;
3. Hospital-based and community-linked violence interventions at Harborview Medical Center;
4. Safe storage, a Public Health program;
5. Training and professional development for the community violence intervention workforce, by national experts, and
6. Quantitative and qualitative evaluation, by Public Health staff.

¹⁷ 2024-RPT0116, Plan Identifying Revenue to Replace Federal Funding for Gun Violence Prevention, <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=6871219&GUID=C595EB0D-E3E8-42F1-BC18-B043599ABB3C>

GF Transfer to Department of Natural Resources and Parks (DNRP) \$2,217,709

TECHNICAL

Previously Funded DNRP Programs [\$2,217,709]. The proposed ordinance would appropriate approximately \$2.2 million in General Fund revenue for programs in DNRP that were previously approved in prior budgets. This decision package would double budget the expenditure authority to allow for the accompanying General Fund transfer. Specifically:

- \$1.4 million for the Youth and Amateur Sports program appropriated in the 2025 Annual Budget. This amount has already been awarded to grantees for reimbursement-based grants; and
- \$800,000 for the Green River project appropriated in the 2023-2024 Biennial Budget to DLS, but the remaining moneys would be shifted to DNRP to manage the remainder of the program. These moneys relate to security and restoration of the property.

GF Transfer to King County Information Technology (KCIT) \$590,000

TECHNICAL

Transfer for Distributed Antenna System Stabilization Effort [\$590,000]. The proposed ordinance would make a one-time transfer from the General Fund to KCIT to support a project to stabilize the legacy Distributed Antenna System in the King County Corrections Facility, Maleng Regional Justice Center, and the King County Courthouse. Further details on this project can be found in the writeup for the KCIT Services appropriation unit, which includes a corresponding appropriation request.

GF CIP Transfer to Department of Executive Services (DES) \$4,275,000

NEW POLICY

KCCF Wall-Mounted Bunks [\$275,000]. The proposed ordinance would appropriate \$275,000 in General Fund revenue to support additional work on installing new wall-mounted bunks in the King County Correctional Facility. There is an accompanying decision package in the Major Maintenance Reserve Subfund, where this request will be described in greater detail.

TECHNICAL

Previously Funded FMD Program [\$4,000,000]. The proposed ordinance would appropriate \$4 million in General Fund Revenue for FMD's space consolidation program that was approved in a prior budget. This decision package would double budget the expenditure authority to allow for the General Fund revenue transfer to support the program in 2025.

NEW POLICY

KCSO IT Project [\$774,207]. The proposed ordinance would appropriate approximately \$774,000 in General Fund revenue to support a capital IT project to upgrade the King County Sheriff's Office CJIS network equipment to Cisco's Meraki Platform, to be deployed to all KCSO offices. There is an accompanying decision package in the General Technology Capital appropriation unit, where this request will be described in greater detail.

Jail Health Services (JHS)**\$1,504,000****NEW POLICY**

Case Manager for HIV-related Release Planning Services [\$143,525, 1.0 FTE, revenue-backed, ongoing]. The proposed ordinance would add approximately \$144,000 and 1.0 FTE for a case manager position to expand case management and discharge planning services for Seattle jail residents with HIV or at risk for HIV. This position would be fully revenue-backed with funding provided by the City of Seattle.

Contracted Temporary Nursing Staff [\$1,400,000, ongoing]. The proposed ordinance would appropriate an additional \$1.4 million to the base budget costs for contracted temporary nursing staff. To ensure adequate staffing to provide mandated health services for jail residents, JHS uses contracted agency nurses to cover staff vacancies and employee leave. Since the COVID-19 pandemic, the cost of utilizing agency nurses has increased significantly due to the national shortage of healthcare workers.

In 2025, the JHS budget includes \$84,725 for contracted temporary nurses, and forecasted costs are \$4,414,000, which is slightly lower than the \$4.48 million cost in 2024. JHS has typically paid agency nursing staff costs in excess of the budget through salary savings from vacant positions. However, the nursing staff vacancy rate is lower in 2025 than in 2024,¹⁸ so \$1.4 million is being requested to ensure JHS has adequate budget to cover projected agency nursing staff costs.

The table below shows the increased reliance on temporary nursing staff pre-pandemic to post-pandemic. Executive staff state that the decreased costs in 2020 were due to a difficulty in procuring agency temporary staff.

¹⁸ According to Executive staff, the JHS Registered Nurse vacancy rate was 12.3 in September 2024, and 8.7 in April 2025.

Table 2. Year-to-Year Comparison of Use of Agency Temporary Nurses

Year	Agency Nursing Costs	RN Vacant FTE as of Sept. (point in time)
2019	\$184,774	2.60
2020	\$149,592	6.50
2021	\$3,147,069	5.10
2022	\$6,733,977	14.2
2023	\$7,164,180	22.3
2024	\$4,474,074	12.3
2025 as of April	\$1,213,739	8.70

TECHNICAL

Parking Benefit for WSNA Members [\$104,000]. The proposed ordinance would appropriate \$104,000 in General Fund revenue to extend the parking benefit at Goat Hill Garage for members of the Washington State Nurses Association (WSNA) through 2025. This amount is equal to the actual parking costs of 2024. As background Ordinances 19836 and 19837, passed by Council in October 2024, ratified two memoranda of agreement (MOAs) for a one-year extension of the Collective Bargaining Agreement with the Washington State Nurses Association, which represents both nurse staff and nurse supervisors. The MOAs extended the parking benefit allowing JHS registered nurses and supervisors working day shift to park in Goat Hill Garage at the afterhours rates.

Contract negotiations with the WSNA are ongoing.

Behavioral Health Risk Assessment Tool [-\$143,525, -1.0 FTE]. The proposed ordinance would transfer an appropriation of approximately \$149,000 and 1.0 FTE from Jail Health Services to DAJD. This position is funded by MIDD and is currently vacant in the JHS budget. The position would increase the number of social workers providing personal recognizance interview and needs screening of jail residents. According to Executive staff, transferring this position would allow DAJD to identify more people eligible for pretrial release and program referrals.

There is an accompanying decision package in the Department of Adult and Juvenile Detention.

NEW POLICY

Reduction of Vacancy Rate Contra [\$3,933,185]. The proposed ordinance would appropriate approximately \$3.9 million in General Fund revenue to reduce the standard vacancy rate contra (assumed salary savings) in the 2025 Adopted Budget, meaning DAJD would need the additional appropriation authority. As DAJD continues to staff up and vacancy rates are reduced, salary savings are decreasing.

Executive staff indicate that the reduction of the vacancy rate contra aims to account for two factors: successful hiring efforts and the current overtime forecast. Regarding hiring efforts, the 2025 budget was built with an assumption of 80 vacancies in Quarter 1 of 2025, while actual vacancies are at 66. Between January 1 and May 30, 2025, DAJD hired 58 employees. Meanwhile, the reliance on overtime to staff posts continue as hired officers go through a New Employee Orientation (5 weeks), Academy (10 weeks), and field training program.

Food and Supplies Budget [\$3,977,815, ongoing]. The proposed ordinance would appropriate approximately \$3.98 million in General Fund revenue for the food and other supplies budget at King County detention facilities. Executive staff state that the cost of food and supplies has increased significantly since the COVID-19 pandemic due to inflation and a higher average daily population.

When asked why the food and supplies budget was off by \$3.98 million, Executive staff indicated that it is PSB's policy not to automatically adjust non-labor costs, instead expecting agencies to manage inflationary increases in non-labor costs through salary savings. Further, DAJD's high vacancy rate in past years have allowed the Department to absorb these costs. With salary savings declining as hiring efforts improve, exacerbated by high overtime spending, DAJD no longer has this flexibility.

The table below shows the food and supplies adopted budget versus actuals in recent years.

Table 3. Food and Supply Budget, Actuals vs Adopted

Year	Adopted Budget	Actuals	Notes
2023	\$4,656,522	\$8,486,524	
2024	\$4,656,522	\$8,356,957	
2025	\$4,656,522	\$2,622,788	*actuals through April

Scanner for the Youth Detention Facility [\$150,000]. The proposed ordinance would appropriate \$150,000 in General Fund revenue to purchase new scanning security equipment at the Judge Patricia H. Clark Children and Family Justice Center. The equipment would comply with new state radiation safety standards for youth detention facilities enacted in December 2024.

TECHNICAL

Overtime Pay Incentives [\$939,000]. The proposed ordinance would appropriate \$939,000 in General Fund revenue to fund overtime pay bargained in collective bargaining agreements¹⁹ for Juvenile Detention Officers and Juvenile Division Correction Supervisors.

Behavioral Health Risk Assessment Tool [\$149,395, 1.0 FTEs, ongoing]. The proposed ordinance would transfer an appropriation of \$149,395 and 1.0 FTE from JHS to DAJD. This position is funded by MIDD and is currently vacant in the JHS budget. The position would increase the number of social workers providing personal recognizance interview and needs screening of jail residents. According to Executive staff, transferring this position would allow DAJD to identify more people eligible for pretrial release and program referrals.

There is an accompanying decision package in Jail Health Services.

Department of Public Defense (DPD)	\$5,691,000
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NEW POLICY

Legal Services [\$3,841,000]. The proposed ordinance would appropriate approximately \$3.8 million from the General Fund to support assigned counsel, expert services, and contract attorney expenses. Executive staff confirm that the use of these services is trending similar to previous years, and the cost increases are not driven by the recent surge in case filings. Instead, these services have been consistently underbudgeted, and DPD has used salary savings from vacancies to offset the expenses. In 2025, DPD has planned to fill all vacant positions as Phase I of the new caseload standards is implemented.²⁰ Due to successful recruitment efforts, there are few vacancies and, as a result, reduced salary savings. Additionally, DPD has seen an increase in the rates charged for expert services.

Table 4 shows what was included in the 2025 Adopted Budget by service, a breakdown of the \$3.8 million request by service, and the new totals should the proposed ordinance be adopted. According to budget materials, this request would ensure that DPD does not exceed its appropriation authority.

¹⁹ Ordinances 19897 and 19898.

²⁰ Washington State Bar Association. March 14, 2024. *State Bar Adopts New Public Defense Standards*. [Press Release] [\[LINK\]](#), last accessed June 5, 2025]. Phase I begins July 2, 2025.

Table 4. Breakdown of Appropriation by Legal Service

Legal Service	2025 Adopted Budget	Omnibus Request	Proposed Total
Assigned Counsel²¹	\$2,961,703	\$2,013,807	\$4,975,510
Contract Attorneys²²	\$736,704	\$453,868	\$1,190,572
Expert Services²³	\$844,929	\$1,373,325	\$2,218,254
TOTAL	\$4,543,336	\$3,841,000	\$8,384,336

Labor Costs for Increased Felony Caseload [\$529,000]. The proposed ordinance would appropriate \$529,000 from the General Fund for the 12 attorney positions released earlier this year due to higher than projected felony assignments. This is in accordance with the expenditure restriction included in the 2025 Adopted Budget.²⁴

The number of felony cases filed in Superior Court in the months of March and April were in excess of what was expected by the DPD staffing model. For example, felony filings increased in April 2025 to 572 cases. Executive staff note that this represents the highest monthly total seen in the last four years and an increase of 26% from the previous month. Per Executive staff, the increase in PAO filings, a related increase in DPD assignments, and a case mix that includes felonies of a higher severity than in many previous months, have led to two consecutive months with total credits exceeding the base caseload assumed in DPD's staffing model, thus triggering the expenditure restriction and the release of 12 additional FTEs.

²¹ DPD handles the majority of its case assignments with county employees; however, approximately 4% of assignments go to the Assigned Counsel Panel. The panel is comprised of private attorneys who contract with the county to handle cases that DPD cannot take due to a conflict of interest.

²² In 2022, DPD created the Contract Attorney Panel (or capacity contracts) with private attorneys to help address an increased number of court filings. According to Executive staff, about 3% of case assignments are handled by the Contract Attorney Panel. They also note that as vacant attorney positions are filled, fewer cases will need to be sent to either the Assigned Counsel Panel or the Contract Attorney Panel.

²³ Public defenders request expert services when such services are necessary to effectively represent their client [\[LINK\]](#). This could include expert opinions on various matters, such as forensic evaluations, psychological evaluations, or other expert testimony. Executive staff add that the consultation and use of experts by defense counsel is required by state law and point to State v. A.N.J. (2010).

²⁴ Ordinance 19861, Section 55, Expenditure Restriction 1. The expenditure restriction on DPD's appropriation was first established in the 2019-2020 Biennial Budget to ensure DPD has the flexibility to hire up to 20.0 additional FTE attorney positions than it has funding for in the event there is a surge in felony filings. These "vapor" positions are unbudgeted meaning that DPD can fill the number of FTEs released but does not automatically receive additional appropriation authority. Positions are released when felony case credits exceed staffing model estimates for two months in a row. This expenditure restriction was triggered for the first time in October 2024. One position was released, and DPD was able to use salary savings at that time.

The appropriation requested is equivalent to four months of salary costs (not including benefit costs) for the 12 attorney positions released. According to Executive staff, this is an amount agreed upon between PSB and DPD and informed by conversations with the PAO regarding filing expectations for the remainder of the year. DPD plans to fill the positions in September 2025, noting that it is no longer experiencing recruiting difficulties.

Eliminate Vacancy Rate Contra [\$1,320,227]. The proposed ordinance would eliminate the vacancy rate contra (assumed salary savings) in the 2025 Adopted Budget meaning DPD would need \$1,320,227 of additional appropriation authority.²⁵ As previously noted, due to DPD's successful recruitment efforts, there are few vacancies and therefore reduced salary savings.

According to Executive staff, this appropriation would have the flexibility to be used as needed by the Department. DPD would use the funding to:

- Support existing salaries;
- Address the salary discrepancy between budgeted and actual amounts for lateral experienced attorney hires²⁶; and
- Address any additional budget challenges experienced with the Assigned Counsel Panel and Contract Attorney Panel expenses.

NON-GENERAL FUNDS

\$140.2 million

Summary

The total supplemental appropriation proposed for the non-General Fund appropriation units is \$140.2 million, of which approximately \$24.1 million is revenue-backed. The remaining \$116.1 million would come from fund balance of the various non-General Funds.

²⁵ The vacancy rate contra is based on a formula. The calculation is made by taking an average of the percentage underspend in the wages and benefits accounts the preceding five fiscal years (2020-2024) and multiplying it by the Final Revised Adopted budgeted amount in the wages and benefits accounts for 2025. In order to prevent very high or very low contras, the percentage applied to the 2025 Budget is bounded by a floor of 0.5% of wages and benefits expenditures and a ceiling of 1.5% of wages and benefits expenditures. The final amounts in the calculation also include an estimate of wage increases based on GWI assumptions.

²⁶ In 2025, DPD has planned to fill all vacant positions using the salary savings to hire experienced lateral attorneys as well as newly graduated attorneys. Lateral experienced attorney salaries are significantly higher than entry level attorneys.

Behavioral Health

\$71,500,000

REAPPROPRIATION

Medicaid Gainshare Repayment [\$71,500,000]. The proposed ordinance would reappropriate \$71,500,000 of Medicaid revenue that was unused during the pandemic. In the 2024 budget supplemental, DCHS received \$89 million for Medicaid Gainshare repayments to managed care organizations. According to the Executive, “These payments reflect the excess revenue received by King County as a result of the official public health emergency resulting from the pandemic. Only \$17 million of these funds were repaid in 2024 as individual settlement dates between the MCO and state Health Care Authority varied. The remainder has been paid or will be paid in fiscal year 2025.” Medicaid dollars are restricted and cannot be used for purposes other than Medicaid eligible expenses.

Veterans, Seniors, and Human Services Levy (VSHSL)

\$25,569,033

REAPPROPRIATION

VSHSL Reappropriation [\$25,569,033]. The proposed ordinance would reappropriate approximately \$25.6 million from the 2023-2024 Biennial Budget in underspent VSHSL moneys. Of the \$25.6 million, \$17.1 million is tied to Housing Stability strategies. Executive staff indicate that housing strategies face unique timing challenges due to the complexities of anticipated projects. Additionally, 2024 was the first year of the renewed levy which often requires a ramp-up period, causing delays.

PSB provided a table of each amount being reappropriated, which can be provided to Councilmembers upon request.

Surface Water Management Local Drainage Services

\$621,000

REAPPROPRIATION

In-House Mowing Team Reappropriation [\$154,000]. The proposed ordinance would reappropriate \$154,000 from the 2023-2024 Biennial Budget to complete the purchase of vehicles for an in-house mowing team. The Washington state Department of Ecology and the King County Design Manual require mowing at all stormwater facilities once or twice a year to ensure proper functionality. Executive staff state that previously, contracted labor has provided these mowing services but has not been able to deliver services effectively. This proposal would use existing budget to shift to an in-house mowing team of seasonal temporary staff managed by a crew supervisor.

Burns Creek Stream Flow Impediment Study Reappropriation [\$187,000]. The proposed ordinance would reappropriate \$187,000 to complete a study evaluating the cause of stream flow impediments in Burns Creek, a tributary of the Green River located in Council District 9. Executive staff indicate that the study will be completed in 2025.

As background, an alluvial fan in Burns Creek causes episodic local flooding. Executive staff state that the Water and Land Resources Division is developing short- and long-term strategies to protect access, health, and safety while balancing and improving salmonid habitat.

Stormwater Asset Management Plan Reappropriation [\$280,000]. The proposed ordinance would reappropriate \$280,000 to complete the Stormwater Asset Management Program (SWMP) Plan in 2025. The County's SWMP Plan identifies proposed actions to comply with the Phase I Municipal Stormwater National Pollutant Discharge Elimination System (NPDES) Permit issued by the Department of Ecology. The draft 2025 SWMP is currently under development and open for public comment.

Local Services Administration**\$0****NEW POLICY**

Legacy Business Program [\$0]. The proposed ordinance would remove Expenditure Restriction ER 1, requiring \$100,000 be expended solely for work on the 2024 King County Comprehensive Plan (KCCP) work plan action item relating to the creation of a legacy business program for unincorporated King County. The Council imposed this expenditure restriction but did not allocate additional funding, which would require the Department of Local Services to fund this out of existing appropriation authority.

As background, the 2024 KCCP²⁷ included workplan action item *Action 15: Legacy Business Program*. Action 15 partially defines legacy businesses as long-standing businesses that have cultural and historical significance in a community. Action 15 requires the Executive to file a report and any accompanying legislation to implement the recommendations of the report by September 31, 2027. The report is to evaluate the needs of legacy businesses and ways to reduce displacement of such businesses, including: analyzing existing legacy business programs; defining a legacy business; setting the maximum size of a legacy business through a community-selected advisory committee; and evaluating what types of assistance legacy businesses need. This assistance is to include technical, financial, and marketing assistance as well as a program to help legacy businesses navigate government bureaucracy.

Executive staff state that DLS does not have existing capacity to create this program as the Department has one economic development manager for the 11 unincorporated areas. Executive staff further indicate that DLS does not have a non-General Fund revenue source to support this work and will consider funding options to comply with the work plan action item described above in 2026-2027 Biennial Budget development.

²⁷ [King County - File #: 2023-0440](#)

When asked what the operational impact would be of leaving this expenditure restriction in the budget without adding additional General Fund revenue, Executive staff indicated that DLS would have to reduce an existing economic development program and redirect staff resources and funding to work on this program. Existing economic development programs include the Rural Economic Development Strategies work, the White Center Revitalization Program, and the White Center Lighting Program, in addition to ongoing work to support local unincorporated King County businesses. The Unincorporated King County Economic Alliance is also under the economic development program, but the majority of moneys for this program are under contract.

Parks and Recreation

\$2,770,777

REAPPROPRIATION

Healthy Communities and Parks Reappropriation [\$2,770,777, revenue-backed].

The proposed ordinance would reappropriate approximately \$2.8 million in Parks Levy funding for the Healthy Communities and Parks Fund, which is part of the Targeted Equity Grant Program. These grants support projects that increase access to recreation and use of parks, open spaces, and recreational facilities in underserved areas and communities. Executive staff state that these grants were not carried forward during the 2025 budget process. This reappropriation would include 7 grant projects committed in the 2021-2022 Biennial Budget, 8 grant projects committed in 2023, and 23 grant projects committed in 2024.

Historic Preservation

\$298,524

TECHNICAL

Cost Recovery Adjustment [\$298,524, revenue-backed]. The proposed ordinance would appropriate approximately \$299,000 to support the full cost recovery of services that the Historic Preservation Program (HPP) provides to other county agencies. Each county agency utilizing the HPP pays the program using revenue transfers, and this change would result in a higher per hour cost of using the program.

Executive staff state that no additional appropriations are needed for those county agencies, which include the Department of Natural Resources and Parks, and to a lesser extent the Department of Local Services, the Department of Executive Services, and the Department of Community and Human Services. Executive staff further indicate that this change would ensure that the fund stays within budget and that actual fixed costs of administering the HPP's cultural resource reviews are recovered from program users.

NEW POLICY

Contract Compliance Capacity [\$0, 1.0 FTE]. The proposed ordinance would add 1.0 FTE to the Best Starts for Kids fund to increase contract compliance capacity. Executive staff indicate that additional appropriation is not needed in 2025 due to anticipated underexpenditure in one-time capital projects carryforward, but the estimated 2026-2027 appropriation to pay for this position through the end of the levy is \$335,000.

Executive staff state that BSK has identified a need for more proactive and upstream fiscal and contracting capacity when contracting with new organizations. This FTE scope of work would include providing orientation, training on fiscal best practices and contract compliance, screening, and referring to capacity building as early as possible.

Currently, BSK moneys within Public Health cover 3.5 FTEs to perform compliance visits for BSK contracts. In DCHS, a compliance team of 6.0 FTEs is centralized in the Director's Office and works across all DCHS divisions, a portion of which is paid for by BSK through overhead rates.

Public Health (DPH)**\$13,064,000, 2.0 FTEs****NEW POLICY**

School Based Mental Health Programming Expansion [\$5,878,000, 1.0 FTEs, ongoing, revenue-backed]. The proposed ordinance would appropriate approximately \$5.9 million and 1.0 FTE to expand mental health programs across 21 school-based health centers (SBHC) in Seattle Public schools. This is an expansion of existing King County-funded school-based mental health programming. This expansion is fully revenue-backed by the Seattle payroll tax in 2025.

According to information from Executive staff this additional investment from the City of Seattle would provide moneys to double the mental healthcare capacity at the 21 SBHCs in Seattle middle and high schools. Executive staff indicate that this capacity expansion would be achieved by hiring 21 new mental health therapists and 21 mental health care coordinators, who will further support assessment and triage to help connect students to available mental health resources. In addition, these moneys would support training and clinical consultation as well as additional PSHKC staff to support the program expansion. Executive staff state that this program is expected to be funded by an expansion of the City of Seattle Families, Education, Preschool and Promise levy which is anticipated to be on the November ballot with continued funding starting in 2026.

The 1.0 FTE would be a Project Program Manager III. Executive staff state this position would be responsible for leading the implementation of this mental health expansion

work. This includes contracting and supporting the development of the behavioral health care coordinator role and providing training and technical assistance in partnership with new contracted agencies.

Behavioral Health Service Expansion [\$550,000, revenue-backed]. The proposed ordinance would appropriate \$550,000 of a \$600,000 grant received from the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA) for funding through August 2025. This allocation would support two strategies: 1) two substance use disorder (SUD) harm reduction specialists and one behavioral health specialist who would provide direct street outreach, prioritizing encampments and communities most impacted by overdose and incarceration; and 2) contingency management services within the outpatient Opioid Treatment Network (OTN) program, a clinic-based and field-based harm reduction-oriented team run by the Downtown Emergency Services Center (DESC).

According to Executive staff, the Health Care for the Homeless Network (HCHN) proposed these strategies in their HRSA grant application to fill key gaps in and to seamlessly integrate with existing King County-funded mental health programming.

WIC Nutrition Assistant [\$104,000, 1.0 FTE, revenue-backed]. The proposed ordinance would appropriate \$104,000 and 1.0 FTE for a Nutrition Assistant (NA) position to support a caseload increase in Women, Infant and Children (WIC) Clinics. This decision package is fully revenue-backed by the Washington State Department of Health which has increased their funding based on DPH's 2024 caseload. The expectation is that this increase is ongoing.

According to Executive staff, the NAs, who work out of DPH clinic and community partner sites, qualify participants for the WIC program through WIC Certifications or assessments. NAs also distribute the WIC food cards, and complete low risk nutrition contacts required by the program. Based on information provided by Executive staff, there are 49 NAs in DPH and participation in WIC is up 12% since January 2024. Minimum staffing for NAs is 1 per 500 participants and the current caseload through March 2025 is 25,198.

Naloxone Distribution for Overdose Prevention [\$1,116,000, revenue-backed]. The proposed ordinance would appropriate approximately \$1.1 million of Crisis Care Center revenue to DPH to expand overdose prevention infrastructure through naloxone vending machines and community-based distribution methods. Executive staff indicate this allocation would be used to fill current vending machines and other naloxone distribution models.

Overdose Prevention and Response Programs [\$330,000, revenue-backed]. The proposed ordinance would appropriate \$330,000 of MIDD dollars to sustain overdose prevention services, including naloxone access, outreach efforts, and harm reduction programming. This amount is fully revenue-backed by the MIDD Levy, and the

investment is a result of strategy adjustments in 2025 that updated the MOU between DCHS and DPH. Executive staff indicate that the need for the revision arose from updated revenue forecasts and program planning discussions to ensure continued support for critical overdose response work. Executive staff state that this is an ongoing funding proposal and is expected to continue in 2026-2027 with future funding determined by the MIDD III implementation plan which is expected to be transmitted to Council in June 2026.

Centers for Disease Control and Prevention (CDC) Grant [\$1,962,000, revenue-backed]. The proposed ordinance would appropriate approximately \$2 million of CDC funding from a multi-year grant to strengthen Public Health infrastructure, workforce, and data systems through a variety of work including a focus on public health accreditation, an internship program, Public Health Camp, policy co-design, community navigators, and staff salaries.

According to Executive staff the Community Navigator team's ongoing work allows participation in crucial activities including forums with residents to identify and understand health needs, gatherings to ensure effective communication and accessibility for individuals with limited English proficiency and others who do not have access to health information and resources, and efforts to improve communication with community and disseminate information effectively.

The Public Health Camp originally launched in 2023 and is intended to implement, and evaluate an academic-to-practice pipeline by engaging high school students in a 3-day program to increase their likelihood of pursuing involvement and leadership in public health practice. Participants range in age from 15 to 23 years old and attend schools from across King County. Additional information about Public Health Camp was published on DPH's Public Health Insider Blog on August 23, 2024.²⁸

Public Health Emergency Preparedness Grant [\$245,000, revenue-backed]. The proposed ordinance would appropriate \$245,000 to continue two existing emergency preparedness positions based on extended funding from the state through June 2025. This is revenue-backed using Washington State Consolidated Contract 2024 underspend carryforward with a current funding period through the end of June 2025. The Consolidated Contract is a contract with the State of Washington that funds several programs.

Executive staff indicate that this specific award is a federal indirect grant whereby the State of Washington acts as a pass-through agency. This award is not associated with FEMA funding. According to Executive staff, the key functions of these positions include emergency planning to provide critical services, resources, and information to promote the health of the most impacted communities during public health emergencies.

²⁸ Public Health Insider, Public Health Camp 2024: A Video Tour.
<https://publichealthinsider.com/2024/08/23/public-health-camp-2024-a-video-tour/>

REAPPROPRIATION

Best Starts for Kids (BSK) [\$1,138,000]. The proposed ordinance would reappropriate approximately \$1.1 million for community contracts providing childcare consultation, lead and toxics screening, school-based health services, child and adolescent immunization, and other programs. This is fully revenue-backed by BSK and carries forward contracts from 2024 for multiple BSK strategies as described in Table 5 below.

Table 5.
Proposed BSK Carryforward in PO 2025-0159

Strategy	Amount	Description
Home-Based Services	\$401,532	\$93,000 for performance pay, \$309,000 for a multi-year contract with Apex for SBHC Data Hub.
Child Care Health Consultation	\$305,352	To complete the initial systems implementation projects recommended by the CCHC Strategic Vision.
Communities of Opportunity	\$277,643	\$50,000 is to support a pilot expansion of the COO's place and community partnerships strategy. \$142,000 is a six-month payment hold for 2024 to Freedom Project. \$85,000 to build coaching capacity for COO grantees.
Child & Adolescent Immunizations	\$75,439	\$25,000 for the Washington Chapter of the American Academy of Pediatrics, \$50,000 is for the contract with SeaMar.
Community Well-Being Initiative	\$40,000	For the Centering Diverse Healers contracts.
Healthy and Safe Environments	\$20,690	For Sustainable Seattle.
Home-Based Services	\$8,000	To support gatherings with the provider in 2025 and to facilitate community engagement for a required RFP process.
Communications	\$5,616	For cash value cards not yet used.
Community-Based Parenting Supports	\$4,600	To conduct community listening sessions and bias trainings.
Total	\$1,138,872	

TECHNICAL

KC Medical Examiner (MEO) Scanner [\$1,778,128]. The proposed ordinance would appropriate \$1,778,128 of General Fund dollars to DPH to complete the MEO CT

scanner project from the previous biennium. This amount has increased from \$1,064,000 in the 2025 budget when it was funded by a reappropriation of CLFR dollars. Executive staff state this is due to an increase in the project cost estimate.

The number of overdose deaths has increased significantly since 2019 as can be seen on the DPH overdose dashboard.²⁹ In 2019 there were 426 fatal overdoses, and as of June 2, 2025, there have been 429 confirmed fatal overdoses and an additional 41 probable overdoses, pending toxicology. This increase has contributed to higher caseloads for the MEO, increasing the risk of reaching and exceeding its 325 autopsies per pathologist threshold needed to maintain its National Association of Medical Examiners accreditation. Currently, in cases where there is a likelihood of overdose (e.g., the decedent has a history of substance use, there is paraphernalia at the scene, etc.), an autopsy is the standard of care because it can rule out other causes of death. In a significant number of these cases, imaging by a CT scanner can eliminate the possibility of a different cause of death without the need for an autopsy. Using a CT scanner can reduce the number of autopsies performed when there is a high likelihood that the cause of death is a drug overdose. Methods such as toxicology testing, analyzing the death scene, and interviews with decedent relations would also be used for determining cause of death. This decision package is associated with the decision package in the General Fund Transfer to DPH.

Environmental Health

\$1,258,000

NEW POLICY

Program Manager for Storm Water Research Project [\$152,000, 1.0 TLTs, revenue-backed]. The proposed ordinance would appropriate \$152,000 and 1.0 TLT to add a temporary program manager to study the effect of paraphenylenediamine (PPD) and perfluoroalkyl chemical (PFAS) compounds in high fish consumers in the Puget Sound area. This is fully revenue-backed by a reimbursable grant from the EPA, administered through the Washington State Department of Ecology from May 2025 through June 2027. According to Executive staff, the total award for this grant, which is expected to last through June 2027, is \$698,275.

REAPPROPRIATION

Onsite Septic System (OSS) Climate Equity Project [\$1,105,000]. The proposed ordinance would appropriate \$1,105,000 to continue two OSS to sewer conversion pilot projects in King County under Ordinance 19711. According to information provided by Executive staff, each award, funded by the King County Climate Equity Capital Pool, granted \$1 million to two sewer districts to complete OSS to sewer conversion in neighborhoods located in high socially vulnerable areas in unincorporated urban King County. The first project, which allows 17 properties near Boulevard Park to connect to

²⁹ Public Health—Seattle & King County Overdose deaths data dashboard, Data source: King County Medical Examiner's Office. <https://kingcounty.gov/en/dept/dph/health-safety/medical-examiner/reports-dashboards/overdose-deaths-dashboard>

sewer, was substantially complete in December 2024. The second project, located in Skyway, was expected to be complete at the end of April. When complete, it will allow seven to nine properties to convert from OSS to sewer. Executive staff indicate that as of June 2025, most construction for the project is complete and “final connections are waiting for approval to adjust the sewer district’s service area to include two parcels in the project area. The decision is expected mid-June, with final completion of the project expected in 3rd quarter 2025.”

Out of the \$2 million in funding available, the project spent \$119,103 for professional services in 2023 and \$776,464 in 2024 .The remaining balance \$1,104,433 will be spent down this year. Executive staff state that the balance remaining is \$49,542.50 and most of the construction is complete and invoiced.

Employment Education Resource (EER)

\$2,274,525

NEW POLICY

Open Doors Program [\$450,000, revenue-backed]. The proposed ordinance would appropriate \$450,000 in revenue-backed expenditure authority for an expanded contract with Seattle Central College to provide case management for Open Doors. This Seattle Central College contract was recently increased from \$75,000 per year to \$450,000 per year.

As background, the Open Doors Youth Reengagement program is a reengagement system that provides education and services for youth, ages 16-21, who have dropped out of school or are not expected to graduate from high school by the age of 21. Open Doors reengages disconnected youth through programs that encourage community partnerships, create multiple pathways for students to realize success, and provide an on-ramp to post-secondary achievement through a performance-based, individualized support model.

Open Doors program is revenue-backed by state dollars from the Office of the Superintendent of Public Instruction via Renton Technical College and the Department of Vocational Rehabilitation Program, which are cost-per-student reimbursements.

REAPPROPRIATION

BSK Reappropriation [\$304,843, revenue-backed]. The proposed ordinance would reappropriate approximately \$305,000 in unspent BSK revenue committed in accordance with two Implementation Plan strategies, specifically Stopping-the-School to Prison Pipeline and Transitions to Adulthood. These RFP awards have been announced and moneys should be fully contracted by mid-2025.

TECHNICAL

Restorative Community Pathways (RCP) Grant [\$559,817, revenue-backed]. The proposed ordinance would appropriate approximately \$560,000 of remaining moneys

from an existing grant from the U.S. Department of Justice Office of Juvenile Justice Delinquency Prevention. The grant supports evaluation of RCP program.

RCP is a community-based diversion program for youth that operates as a consortium.³⁰ Consortium members hire, train, and support community navigators who work with referred youth and their families as well as people who have experienced harm. DCHS administers all RCP service contracts for the county.

Table 6 shows the 2025 budgeted expenditures (including the additions in this decision package) allocated to RCP and Table 7 shows the 2025 budgeted revenue.

Table 6. 2025 RCP Budgeted Expenditures with the Proposed Decision Package

	Budgeted Appropriation
Salaries, Wages, and Benefits	\$316,780
Supplies	\$5,000
Other Operating Charges	\$14,289
Central Rates	\$70,327
Contracts	\$5,764,261
TOTAL	\$6,169,657

Table 7. 2025 RCP Budgeted Revenues with the Proposed Decision Package

	Budgeted Appropriation
General Fund	\$5,026,383
Department of Justice's Office of Juvenile Justice and Delinquency Prevention	\$923,453
Best Starts for Kids	\$219,821
TOTAL	\$6,169,657

Jump Start Budget [-\$226,000]. The proposed ordinance would shift expenditures related to the case management of the JumpStart program to the Climate Office. EER

³⁰ Current consortium members includes: Choose 180, Collective Justice, Creative Justice, Congolese Integration Network, East African Community Services, Pacific Islander Community Associations, and Rooted in Vibrant Communities. See [2023-RPT0102](#) for additional information on RCP.

would continue to perform the work, but would instead bill their related hours directly to the Office of Climate.

JumpStart King County is a program that aims to address the lack of skilled workers in the clean technology and energy sector. Participants develop skills to become a part of this industry and the program provides services to 40 youth, ages 18 to 24, with the goal of transitioning participants into full-time, living wage employment.

The program is funded by the WA Jobs Initiative Grant and the King County Climate Office. Executive staff indicate that the expenses are charged to the Executive's Office, who manages the Climate Office. This budgeting decision was determined after the proposed 2025 Annual Budget was transmitted.

Open Doors Program and Out of School Youth Reappropriation and Expansion [\$1,185,865, revenue-backed]. The proposed ordinance would appropriate approximately \$1.2 million to increase capacity for the Open Doors program. This is revenue-backed by fee-for-service revenue received in 2024 as well as an increase in revenue expectations for 2025.

As background, the Open Doors Youth Reengagement program is a reengagement system that provides education and services youth, ages 16-21, who have dropped out of school or are not expected to graduate from high school by the age of 21. Open Doors reengages disconnected youth through programs that encourage community partnerships, create multiple pathways for students to realize success, and provide an on-ramp to post-secondary achievement through a performance-based, individualized support model. The Out of School Youth program is focused on both education and employment opportunities for youth ages 16 to 24 and is largely funded by the federal Workforce Innovation and Opportunity Act.

Solid Waste Operating **\$0**

NEW POLICY

Proviso Changes [\$0]. The proposed ordinance would amend two provisos to remove the requirement that the proviso reports be transmitted with an accompanying motion acknowledging receipt of the reports. The restricted moneys would instead be released upon transmittal.

The first proviso, P1, restricts \$500,000 until the Executive transmits a flow control analysis and enforcement report for construction and demolition materials and the Council passes an accompanying motion. Specifically, the report would include an inventory and description of existing flow control methods; a summary of enforcement efforts; findings from the evaluation of flow control compliance; and recommended actions and policies the county could take to improve flow control compliance. The report and motion are due December 15, 2025.

The second proviso, P2, restricts \$500,000 until the Executive transmits an Organics System Mapping and Policy Report and the Council passes an accompanying motion. This report would include a comprehensive analysis that maps or depicts how organic materials flow through the solid waste system; a review of best practices in the flow control and management of organic materials in relation to zero waste efforts; and recommended actions and policies the county could take to improve the flow control of organic materials. The report and motion are due December 15, 2025.

Executive staff state that the Solid Waste Division intends to submit the required reports and motions as required by the two provisos by the December deadline, but anticipate the Division may need the cumulative \$1.0 million in appropriation authority to close out 2025.

Airport	<u>\$887,000</u>
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NEW POLICY

Star Forge Acquisition Project [\$747,000]. The proposed ordinance would appropriate \$747,000 in Airport operating funds in order to reimburse the Facilities Management Division (FMD) for the Star Forge Acquisition Project for costs incurred between November 2018 and April 2024. Executive staff state that FMD recently requested reimbursement for the prior year's expenditures for FMD staff support, legal counsel, and other professional services.

The Star Forge Acquisition was a capital project budgeted in the 2023-2024 Biennial Budget, but was fully disappropriated in the 2024 3rd Omnibus when the acquisition did not occur. At the time of the disappropriation, Executive staff indicated that the County was not able to come to acceptable terms with the current owners of the site.

Fuel Farm Pollution Insurance [\$120,000]. The proposed ordinance would appropriate \$120,000 to obtain pollution insurance for the fuel storage tanks at the King County International Airport. This would cover the cost of a three-year policy, which requires an upfront payment. The operations and management responsibilities of the fuel farm recently reverted back to the KCIA, requiring this insurance be obtained.

Executive staff state that the Airport has an open competitive RFP process for a vendor to build and operate a new fuel farm, but that RFP has not yet resulted in a new fuel farm or vendor. The Airport anticipates it will be a few years until that is completed, so it is currently being operated by the Airport's fixed lease operator, Signature.

NEW POLICY

West Point Access Road Repair [\$1,000,000, revenue-backed]. The proposed ordinance would appropriate \$1 million to cover the costs of repair to City of Seattle's road (\$100,000) and Seattle Public Utilities' storm drainage damage beneath the road. The Seattle road is the sole access route in and out of the West Point Treatment Plant and thus WTD is requesting an appropriation to repair it while it works with the PAO to negotiate with the City of Seattle for reimbursement costs.

WTD reports the consequence of complete road failure are significant for WTD, as the road is the sole ingress and egress route for West Point Treatment Plant. Complete failure of the road is possible and would prevent biosolids (Loop) removal from the plant and prevent deliveries of necessary chemical, parts, and supplies. The plant produces biosolids continuously and there is no place to store excess biosolids at the plant site. Executive staff indicate that reliable access is necessary for plant operations and to ensure permit compliance.

REAPPROPRIATION

Contracted Services [\$1,145,996]. The proposed ordinance would reappropriate \$1,145,996 for various contracted services.

Vehicles and Equipment [\$2,429,968]. The proposed ordinance would reappropriate \$2,429,968 for funding for various vehicles and equipment approved in 2023-2024.

WaterWorks Grant Program [\$6,010,538]. The proposed ordinance would reappropriate \$6,010,538 for funding for the WaterWorks Grant Program. Grant funds were awarded at the end of 2023 and will be fully spent between 2025-2027. The request is to carry forward the unspent grant funds from 2023-2024 into the 2025 budget.

TECHNICAL

SEIU 925 Classification Adjustments [\$2,265,211]. The proposed ordinance would add additional appropriation authority for the memorandum of agreement on classification wage increases and new hire/transfer items the collection bargaining agreement with SEIU 925.

NEW POLICY

Contracted security services [\$3,313,772, partially revenue-backed]. In response to transit safety and security concerns, Metro committed earlier this year to increase the number of contracted transit security officers (TSOs) deployed throughout the system and to increase their span of service. The proposal would provide appropriation

authority for 50 additional TSOs and a security deployment pilot at a total cost of \$3.3 million in 2025, with \$1 million of that total revenue-backed by the City of Seattle. For the non-revenue-backed portion of the request, Metro operating fund balance would be used.

With the proposed appropriation, the total number of TSOs would be approximately 220. Metro increased the span of service and the number of TSOs at two different points earlier this year:

- In January and February, Metro launched a security deployment pilot, in which approximately 30 existing TSOs were placed on foot patrols inside and around operations buildings at each Metro base. Beginning in April, this security deployment was focused on ingress points around the perimeter of the bases, as a less resource-intensive way to provide 24/7 coverage. This initiative will cost \$400,000 for 2025.
- In April, Metro increased staffing by 50 TSOs at a cost of \$2.9 million for 2025. Approximately 16 of these TSOs are funded by the City of Seattle and have been stationed at bus stops, bus shelters, and on coaches along Third Avenue and Jackson Street in Downtown Seattle. The remaining new TSOs have been posted at transit route terminal points to provide security for late-night (aka Night Owl) transit services, specifically at U District Station; Third Avenue and Pike Street; Renton Transit Center; and 26th Avenue S and SW Barton Street. In addition, new TSOs have been added to the security deployment to provide 24/7 coverage at Metro's Atlantic/Central and South Bases.

Metro Transit Police services [\$2,552,696]. The budget proposal would implement another commitment Metro made earlier this year in response to transit safety and security concerns: to add 10 Metro Transit Police (MTP) officers, bringing the total budgeted officer positions to 89 FTEs.³¹ The cost of \$2.5 million for 2025 would be covered by Metro operating fund balance.

Metro notes that, as of early June 2025, 69 of the total 89 MTP FTEs are filled. To cover the vacancies, MTP officers have worked 15,155 hours of overtime out of 63,538 total hours worked from January 1 through May 30, 2025, for a total estimated annual cost of \$929,000. Because overtime is funded using salary savings, the Executive states that the proposed appropriation will cover overtime costs.

Metro indicates that the additional MTP officers will address Transit Code of Conduct violations, patrol in areas where data indicates higher levels of incidents are occurring,

³¹ Metro Transit Police (MTP) officers are King County Sheriff deputies funded by Metro through a contract with the King County Sheriff's Office. Motion 11711 approved Transit Security Policies that included guidance on the staffing model for the MTP. The MTP contract is funded by Metro's budget, not by the General Fund.

and respond to employee assaults and sexual misconduct violations that occur on or near transit.

Vanpool Update Report proviso (P4), remove requirement for Council action. The budget proposal would retain the proviso requirement that the Executive transmit both a Vanpool Update Report and a motion acknowledging receipt of the report, and that these should be transmitted by August 31, 2025. However, the proposal would remove the requirement that the Council must act on the motion for the \$50,000 encumbered by the proviso to be released. Instead, the encumbered funds would be released when the report and motion are transmitted.

Expediting RapidRide Report proviso (P5), remove requirement for Council action. The budget proposal would retain the proviso requirement that the Executive transmit both an Expediting RapidRide Report and a motion acknowledging receipt of the report, and that these should be transmitted by September 30, 2025. However, the proposal would remove the requirement that the Council must act on the motion for the \$100,000 encumbered by the proviso to be released. Instead, the encumbered funds would be released when the report and motion are transmitted.

TECHNICAL

State funding for water taxi [\$0]. The proposal would accept \$1.28 million in new State funding to support Metro in providing four mid-day weekday round trips on the water taxi's Vashon route. This is a continuation of service that began July 1, 2024. The State funding will extend until June 30, 2027.

Facilities Management Division

\$0, 3.0 FTEs

NEW POLICY

Harborview Bond Program [\$0, 3.0 FTEs, revenue-backed]. The proposed ordinance would allocate 3.0 FTEs, including one Administrator and two Business Finance Officer (BFO) positions to support the Harborview bond program in 2025 with County Hospital Levy dollars. Executive staff indicate that the need for these positions was identified over the last six months and are intended to provide additional capacity for the bond program as the project enters the design and construction phase. Executive staff state that the cost for these positions would be allocated to multiple projects over time that are funded by County Hospital Levy dollars and the 2020 Bond Fund.

These positions were not identified during discussions about the County Hospital Levy tax in fall 2024. According to Executive staff, this was because detailed planning and analysis had not yet been done. Executive staff state that if they are not approved it would impair project control and financial oversight of infrastructure projects, including development of a cost allocation methodology, impacting the schedule and budget of the projects.

Executive staff state that the rationale for paying for these 3.0 FTEs under the County Hospital Levy fund makes “sense from an oversight and accountability perspective” and that there will be additional staff requested as part of the 2026-2027 budget process. A cost allocation plan for funding these programs is planned to be transmitted with the biennial budget materials provided to the Council in September.

The estimated costs for these positions in 2026 are \$125,000 for the Administrator II, \$125,000 for the BFO II, and \$158,000 for the BFO IV. This includes salary and benefits.

KCIT Services

\$3,260,000

NEW POLICY

Distributed Antenna Systems Stabilization Effort [\$280,000 ongoing, \$310,000 one-time]. The proposed ordinance would appropriate \$590,000 from the General Fund for a project to stabilize the legacy Distributed Antenna System in the King County Correctional Facility (KCCF), Maleng Regional Justice Center, and the King County Courthouse (KCCH). According to budget materials, the County relies on in-building radio system communication, referred to as Distributed Antenna Systems (DAS), to communicate amongst staff, emergency responders, and public safety officials. Executive staff indicate that the existing systems in both buildings have reached their end of life making radio communications unreliable, which poses a safety risk. Of the requested \$590,000, approximately \$280,000 would be spent on salaries and wages for a combination of vendors and existing employees and \$310,000 on supplies and vendor labor. According to Executive staff, at the conclusion of this project, the radio systems in both KCCF and KCCH are expected to be reliable and additional investments are not anticipated to be needed.

A commensurate transfer is provided for in the General Fund Transfer to KCIT appropriation unit.

TECHNICAL

Add TLT Budget to Support Previously Approved Projects [\$870,000, ongoing]. The proposed ordinance would appropriate \$870,000 for TLT salaries to support DCHS Behavioral Health and Recovery Division projects and the KCIT Teams Shared Devices replacement project. Budget materials indicate the projects the TLTs would work on were approved in prior budgets, and it is a KCIT standard practice to hire all the labor resources in the KCIT operating funds and charge to programs and projects as work is performed. According to Executive staff, these costs are ongoing because the TLTs support multi-year projects and programs, and the resources are billed to agencies based on work performed.

Correct 2025 Salaries to Reflect PROTEC17 CBA Provisions [\$1,800,000]. The proposed ordinance would appropriate \$1.8 million to update 2025 salaries to correctly reflect the career progression classifications provisions in the adopted collective bargaining agreement (CBA) with the union PROTEC17.³² According to budget materials, there was an error in the 2025 base budget due to timing of the Peoplesoft data extract. The PROTEC17 CBA was approved in 2023 by the Council and provided that the County updates and/or creates new IT classifications to establish countywide consistency in their job duties.

CAPITAL IMPROVEMENT PROGRAM	\$173.4 million
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Summary

The total supplemental proposal for the Capital Improvement Program is \$173.4 million, primarily for projects in the Landfill Reserve (\$91.0 million), Water Quality Construction (\$40.1 million), and Transit Revenue Fleet Capital (\$20.2 million) funds.

Conservation Futures Subfund	\$0
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NEW POLICY

Appropriate and Disappropriate Moneys based on Conservation Futures Advisory Committee Recommendations [\$0]. The proposed ordinance would appropriate \$4.37 million to projects and disappropriate \$4.37 million from other projects in the Conservation Futures Subfund, for a net \$0 appropriation. These changes would match the committee's recommendations provided in the Annual Project Progress Report through Fall 2024, transmitted to Council in December 2024.³³

The table below shows the projects and amounts to be appropriated or disappropriated.

Table 8.
Conservation Futures Projects and Proposed Appropriation Amounts

Project Name	Proposed Appropriation
Non Profit - Watershed Community Development Bend Live/Work	\$830,000
King County - North Green River	\$828,470
Bellevue - Bellevue Cougar Mountain Connections	\$737,411
Duvall - Big Rock Park Expansion	\$476,400

³² Ordinance 19714

³³ [2025-RPT0020](#)

Project Name	Proposed Appropriation
King County/Seattle North Highline Seola Pond	\$380,000
Covington - Jenkins Creek Open Space	\$335,000
Non Profit - Watershed Community Develop Bend Live/Work SSC	\$215,000
Seattle - Longfellow Creek SSC	\$100,000
King County - Frog Holler Forest Additions	\$85,321
Seattle - Beacon Hill / Mount Baker Urban Villages	\$80,000
King County - Griffin Creek Natural Area	\$79,328
Seattle - Beacon Hill 17th/Walker SSC	\$50,000
Non Profit - Forterra Rockdale	\$50,000
Seattle - Westwood-Highland Park Gap Acquisition	\$50,000
Duvall - Big Rock Park Expansion SSC	\$30,000
Non Profit - GROW Ching Community Gardens SSC	\$21,732
Auburn - Downtown Auburn Open Space Acquisition	\$17,000
King County - Vashon Park District	-\$1,457
Non Profit - GROW Ching Community Gardens	-\$19,169
King County - Eastrail Woodinville	-\$50,000
Shoreline - West Echo Lake	-\$52,064
Covington - Covington Community Park Expansion	-\$99,000
Seattle - Lakeridge Park Addition	-\$275,000
Seattle - Bitter Lake Urban Village Park	-\$350,000
King County - North Highline Urban Greenspace -	-\$380,000

Project Name	Proposed Appropriation
Seola Pond	
King County - Hollywood Hills	-\$400,000
Non Profit - Forterra Kenmore Arrowhead	-\$738,972
Seattle - East Duwamish Greenbelt Brick Pits	-\$2,000,000
Total	\$0

The rationale for the proposed disappropriations is summarized below. The following projects would be closed.

- King County - Vashon Park District – Acquisition has been completed.
- Non-Profit - GROW Ching Community Gardens – Acquisition has been completed.
- King County - Eastrail Woodinville – The Executive has not been able to come to an agreement with the landowners, and indicates that there is not near-term opportunity to make progress on the project.
- Shoreline - West Echo Lake – Acquisition has been completed.
- Covington - Covington Community Park Expansion - The City of Covington has not been able to come to an agreement with the landowners and has indicated that the project is unable to proceed.
- Seattle - Lakeridge Park Addition – The City of Seattle has not been able to come to an agreement with the landowners and has indicated that the project is unable to proceed.
- Seattle - Bitter Lake Urban Village Park – The City of Seattle has not been able to come to an agreement with the landowners and has indicated that the project is unable to proceed.
- King County - North Highline Urban Greenspace - Seola Pond – The project is now a joint venture between Seattle and King County, and the remaining funding has been transferred to a new project number to reflect this fact.
- King County - Hollywood Hills – The Executive has not been able to come to an agreement with the landowners, and indicates that the project is unable to proceed.
- Non-Profit - Forterra Kenmore Arrowhead – Acquisition has been completed.
- Seattle - East Duwamish Greenbelt Brick Pits – The City of Seattle has not been able to come to an agreement with the landowners and has indicated that the project is unable to proceed.

NEW POLICY

Access and Outreach Program Database Update [\$370,581]. The proposed ordinance would appropriate approximately \$371,000 to the DPH Technology Capital fund for an IT project related to the development of an access and outreach database. The Capital Appropriation Proposal indicates that the project would improve the County's ability to track and target enrollments for healthcare and other benefits across multiple programs. The project would also partner with the Solid Waste Division's Low-Income Discount Program to provide financial relief for curbside residential solid waste management to low-income households.

Executive staff indicate that the existing database is outdated and needs modernization, given that the database is used to provide data to DPH's grant funder contracts and to document all outreach and customer communication.

No need for additional appropriation authority beyond 2025 is expected.

NEW POLICY

Criminal Justice Information System (CJIS) Network Hardware Upgrade [\$774,207]. The proposed ordinance would appropriate approximately \$774,000 in one-time General Fund revenue to support a capital IT project upgrading the King County Sheriff's Office's Criminal Justice Information System (CJIS) network equipment to Cisco's Meraki Platform. The CJIS network is a secure database and communication system which allows KCSO to access and share information such as criminal histories, outstanding warrants, missing persons reports, and vehicle registrations. The system also allows KCSO to utilize the Washington State Patrol's (WSP) A Central Computerized Enforcement Service System (ACCESS), which is the state database that criminal justice agencies use to query multiple state and national criminal history databases.

According to the Executive, KCSO's CJIS compliant network equipment reached end-of-life status in August of 2022; meaning the manufacturer was no longer providing operational support or security patches necessary to prevent security threats, system failure, and performance degradation. In April of 2024, the manufacturer alerted KCIT that the KCSO's CJIS network firewall had security vulnerabilities. Upon receiving this notification, KCIT and KCSO began researching possible replacement options. In the third quarter of 2024, and after the 2025 annual budget process had been completed, WSP issued a negative CJIS certification audit finding. Due to this finding, KCSO was put at risk of losing access to ACCESS which would adversely impact KCSO

operations, as well as KCSO's ability to share important information with the PAO, DPD, and DAJD.

In the fourth quarter of 2024, Cisco's Meraki platform was improved to meet current security and auditing requirements³⁴ and a viable option for KCSO to acquire and deploy to all KCSO office locations. The Executive completed an Options Analysis wherein three potential CJIS Network Solutions were evaluated, and the Meraki platform was selected as the most optimal choice due to it most completely meeting cybersecurity, privacy, and data protection requirements, using equipment KCIT has experience supporting, and being less complex than other options evaluated. The project completion date is expected to be March 1, 2026.

In response to Council staff inquiry, the Executive has been in communication with WSP regarding the project and its status. According to the Executive, so long as the county is moving toward implementation and correcting the security issues, it is unlikely that WSP would end KCSO's ability to use ACCESS during the procurement and implementation process.

It should be noted that the appropriation includes a 40% tariff contingency. With the new costs associated with federal tariffs not yet known, the vendor suggested a possible 30% increase, but indicated this may change due to executive orders on tariffs. From this information, KCIT suggested revising the total project cost estimate to include a tariff contingency of 40%; 30% to meet the vendor's suggestion and an additional 10% buffer.

Surface Water Management Construction Subfund **\$0**

NEW POLICY

Water Quality Program [-\$300,000] and Stormwater Asset Preservation Program [-\$400,000]. The proposed ordinance would transfer \$300,000 from the Water Quality Program and \$400,000 from the Stormwater Asset Preservation Program to the Water Quality May Creek Tributary 291A Cemetery Project as discussed in the next decision package. The transferred amounts are not currently allocated to any subprojects in the Water Quality Program or the Stormwater Asset Preservation Program.

Water Quality May Creek Tributary 291A Cemetery Project [\$700,000]. The proposed ordinance would transfer the moneys referenced in the decision package above to a project located in the May Creek Tributary 291A basin. The purpose of this project is to improve flow control and treatment of runoff from developed land that has no stormwater controls. The detention facility occupies a historic wetland and this

³⁴ Federal Information Processing Standards 140-2 encryption and FIPS 140-3, as well as, auditing requirements of the FBI CJIS Policy, KCIT InfoSec Policies, and KCSO policies.

project will restore portions of the wetland to increase the detention storage and improve water quality treatment.

The original timeline had assumed construction costs would not be needed until 2026. However, the U.S. Army Corps of Engineers permit requires that the project be under construction contract by March 2026 and appropriation authority is needed in late 2025 to advertise the contract by January 2026. The project has previously been appropriated \$2.3 million and the additional appropriation would bring the total budget to approximately \$3.0 million.

Major Maintenance Reserve Subfund

-\$128,599

NEW POLICY

King County Correctional Facility (KCCF) Bunk Modification Project [\$275,000].

The proposed ordinance would appropriate \$275,000 for installation of 208 new wall-mounted bunk beds in the KCCF West Wing. The new beds are intended to improve inmate safety by closing a gap between the beds and the walls. This project was previously appropriated \$500,000 and this request would bring the total amount to \$775,000.

Maleng Regional Justice Center (MRJC) Top Deck Recoating [\$597,891]. This request would fund an epoxy recoating of the top floor of the MRJC parking structure for approximately \$598,000, as well as providing for anti-slip aggregate over walking pathways and replacement of expansion joint covers.

TECHNICAL

MRRF Project Disappropriations [-\$1,001,490]. Various projects, as shown in Table 9 below, are proposed to be disappropriated from as the projects have been completed.

**Table 9. Major Maintenance Reserve Subfund Disappropriations
from Completed Projects**

Project	Proposed Disappropriation
KCSO Precinct 4 Electrical System Maintenance	(\$208,429)
Earlington Building Mezzanine Floor Structural Repairs	(\$9,433)
Earlington Building Security System (Video Recorders)	(\$13,554)
KCSO Precinct 3 HVAC Repairs	(\$266,555)
KCSO Precinct 4 Standby Power Generation	(\$234,342)
Total	(\$732,313)

Note that in addition to the \$732,313 in disappropriations above, the proposed ordinance would disappropriate \$269,177 from a 4th and Jefferson Building sewer line repair project because the project is no longer active, so the funding can be reprioritized for other needs.

Radio Communication Services Capital Improvement **\$650,000**

NEW POLICY

KCIT Subscriber Radio Replacement [\$650,000]. The proposed ordinance would appropriate \$650,000 for the ongoing KCIT Subscriber Radio Replacement capital project. This project is used to acquire radio and radio-related items using radio replacement moneys collected from County agencies. According to budget materials, purchases are made based on agency request only and the requested appropriation will support radio purchase requests for 2025.

Parks Capital **\$855,500**

NEW POLICY

Transfer Funding from the East Lake Sammamish Trail to the Green to Cedar River Trail [\$0]. The proposed ordinance would disappropriate \$1.2 million in unused contingency funding from the East Lake Sammamish Trail project and appropriate it to the Green to Cedar River project. According to Executive staff, the East Lake Sammamish Trail project has one subproject remaining, and this subproject, the George Davis Creek culvert replacement fish passage project, could not be completed at the same time as the rest of the trail due to property acquisition and permitting challenges. Based on existing information, Parks estimates that construction could begin between 2026 and 2028. Executive staff state that they do not anticipate needing contingency funding to complete the East Lake Sammamish Trail project, and that additional money

is needed for the Green to Cedar River Trail project due to inflation and additional project requirements not anticipated in the original funding request.

The 2020-2025 Parks Levy motion (Motion 15378) requests that the Executive transmit a report by September of a given year if changes to projects or funding amounts listed in Attachment A to the motion are to be proposed for the following year. A report was not submitted in 2024. Executive staff state that the need for additional funding for the Green to Cedar River Trail was not known at the time in 2024 that the report would have been sent.

Wayne Golf Course Trail Connector Improvements [\$855,000]. The proposed ordinance would appropriate \$855,000 to the Wayne Golf Course Trail Connector project in Bothell, which would be used to construct a trail bridge and connection to future local trails on the former Wayne Golf Course property. This appropriation completes the funding specified for this project in the 2020-2025 Parks Levy motion.

Appropriate and Disappropriate Moneys based on Conservation Futures Advisory Committee Recommendations [\$0]. The proposed ordinance would appropriate \$1.08 million to projects and disappropriate \$1.08 million from other projects in the Parks Capital fund, for a net \$0 appropriation. These changes would match the committee's recommendations provided in the Annual Project Progress Report through Fall 2024, transmitted to Council in December 2024.³⁵

The table below shows the projects and amounts to be appropriated or disappropriated.

Table 10.
Acquisition Projects and Proposed Appropriation Amounts

Project Name	Proposed Appropriation
Frog Holler Forest Addition	\$425,403
Green River Newaukum Creek Preservation	\$400,000
Parks Griffin Creek Natural Area Acquisition	\$250,000
Vashon Parks District Surplus	-\$410
Eastrail Woodinville Bottleneck	-\$49,805
Snoqualmie Valley Trail at Mill Site Acquisition	-\$50,605
Parks Hollywood Hills Forest and Pasture Acquisition	-\$377,320
Boxley Creek Natural Area Additions	-\$447,393
Total	\$0

The rationale for the proposed disappropriations is summarized below. The following projects would be closed.

³⁵ [2025-RPT0020](#)

- Vashon Parks District Surplus – Acquisition has been completed.
- Eastrail Woodinville Bottleneck – The Executive has not been able to come to an agreement with the landowners, and indicates that the project is unable to proceed.
- Snoqualmie Valley Trail at Mill Site Acquisition – Supporting documentation states that, while the Executive has made numerous acquisitions within the scope of this project, further progress is not possible at this time.
- Parks Hollywood Hills Forest and Pasture Acquisition – The Executive has not been able to come to an agreement with the landowners, and indicates that the project is unable to proceed.
- Boxley Creek Natural Area Additions – Supporting documentation states that King County has completed the primary acquisition, and work continues, but this additional funding is not needed.

Water Quality Construction

\$40,135,961

NEW POLICY³⁶

Process Replacement/Improvement [\$3,004,000]. The proposed ordinance would appropriate approximately \$3.0 million to meet an urgent request to replace four existing membrane cartridges at Brightwater Treatment Plant. Replacements need to be done during a dry season and sequenced with another project.

Mechanical Upgrade and Replacement [\$8,115,000]. The proposed ordinance would appropriate an additional \$8.1 million to the Mechanical Upgrade and Replacement Asset Management Project that replaces or upgrades mechanical systems that have served their useful life. The project is currently forecasted to need an additional \$8.1 million for upgrade purchases. The 2025 Adopted Budget included \$10.1 million for this project.

Pipeline Replacement [\$2,510,000]. The proposed ordinance would appropriate \$2.5 million to the Pipeline Replacement Program to cover the current spending forecast in 2025. These projects improve the safety, reliability, efficiency or increase the redundancy of the piping systems and code required upgrades.

³⁶ Given current deliberations on the proposed wastewater rate increase, Council staff asked WTD for information on the process it uses to determine the necessity of capital project requests. WTD indicated that it uses a multistep vetting process to determine which projects need supplemental funding, taking into account regulatory requirements, cost impacts of delaying, and other factors.

Small Generator Replacement at Various Offsite Stations [\$5,621,000]. The proposed ordinance would appropriate \$5.6 million for the program to replace standby generators at 15 regulator stations and outfalls in Seattle. The 2025 Adopted Budget included \$669,000 for this project. Additional appropriation is needed to issue a notice to proceed (NTP) for the construction contract.

PIMS Replacement [\$278,565]. The proposed ordinance would appropriate an additional approximately \$279,000 to modernize and enhance rather than replace the current Pretreatment Information Management System (PIMS) program. WTD had originally tried to implement a Commercial Off the Shelf System but the project pivoted to modernizing the existing system when WTD identified the solution would meet its requirements.

Medina Pump Station MCC and Generator Replacement [\$1,023,775]. The proposed ordinance would appropriate an additional approximately \$1.0 million for the Medina Pump Station Generator Replacement Project. The project is completing construction in 2025. The total project cost is increased mainly due to unexpected design discrepancies and scope changes not identified in the original contract.

South Plant Raw Sewage Pump #3 Replacement [\$5,221,000]. The proposed ordinance would appropriate an additional \$5.2 million for this project. The primary objective of this project is to replace a raw sewage pump and associated equipment at South Treatment Plant. The additional appropriation is needed to issue a notice to proceed (NTP) for a construction contract in 2025. The 2025 Adopted Budget included \$1.8 million for this project.

Mouth of Duwamish Facility Plan [\$13,363,521]. The proposed ordinance would appropriate an additional approximately \$13.4 million for the Mouth of Duwamish Facility Plan. This project will develop a Facility Plan to achieve the greatest reasonable reduction for the King County Combined Sewer Overflow outfalls identified in the Modified Consent Decree. The 2025 Adopted Budget included \$15.5 million for this project and the total estimated cost at completion is \$53 million.

Chinook Research Vessel Replacement [\$999,100]. The proposed ordinance would appropriate an additional approximately \$1.0 million for the replacement of the Chinook Research Vessel. The 2025 Adopted Budget included \$1.1 million for this project. WTD reports additional funding is needed because the vessel purchase requires the guarantee of the full appropriation to secure a contract to have a vendor build it. This requirement was not known at the time of the 2025 Annual Budget, and only half of the appropriation was requested because that is what was anticipated being spent in 2025. Therefore, WTD is asking for the full appropriation now to secure a contract with a vendor and have it built.

Transit Revenue Fleet Capital

\$20,169,782

NEW POLICY

Transit Operator Safety Partitions [\$20,169,782]. In response to transit safety and security concerns, Metro committed to installing operator safety partitions on all coaches. For new buses currently on order, the partitions will be installed at the factory. For existing buses, the omnibus requests appropriation authority of \$20.2 million from fund balance in the Transit Revenue Fleet capital fund³⁷ to procure and install operator safety partitions on 1,200 Metro coaches.

Metro states that the procurement is expected to begin in October 2025, with installation completed by December 2026. Metro states that the partitions reflect input from operators for creating a more enclosed compartment than what is currently in place. For passengers, Metro states that using the partitions will not require any changes to the way passengers pay their fares: existing fareboxes and ORCA readers will remain in place so that passengers can continue to pay using either cash or ORCA card, and paper transfers for those who pay cash will continue to be available.³⁸

ITS Capital

\$752,665

NEW POLICY

KCIT Infrastructure Equipment Replacement [\$752,665]. The proposed ordinance would appropriate approximately \$753,000 for the ongoing KCIT Infrastructure Equipment Replacement capital project. This project replaces platform infrastructure equipment supporting County agency applications when it reaches the end of its useful life and includes such things as servers and equipment that supports cloud technology. The proposed appropriation is to be paid for using fund balance and according to budget materials will cover infrastructure replacement planned for 2025 and also an overspend in 2024.

County Road Major Maintenance

\$0

NEW POLICY

Countywide Roadway Preservation Program Disappropriation [-\$650,000]. Roads Services proposes to transfer REET #1 funds from this parent project to a drainage project in south King County that is experiencing a budget shortfall (discussed below). The \$650,000 in REET funding was budgeted in 2025 for paving 16th Avenue SW in

³⁷ Fund 3642

³⁸ KCC 4A.700.010.B allows Metro fares to be paid using cash or with a transfer.

White Center. However, the 16th Avenue SW project received a Transportation Improvement Board grant that can be used to supplant the REET funding.

SE 384th Street and 172nd Avenue SE Drainage Improvement Culvert [\$650,000].

The SE 384th and 172nd Ave SE Drainage Improvement Culvert would receive a supplemental appropriation of \$650,000. The Culvert project is experiencing a shortfall primarily due to inflation between 2020 when the project was proposed for state grant funding and 2025. Construction costs also increased over the budget estimate because of new requirements for larger fish passage structures during the past five years.

County Road Construction

\$1,250,000

NEW POLICY

Roads Facilities and Electric Vehicle Infrastructure Program [\$1,250,000]. The proposed ordinance would allocate \$1.25 million in proceeds from the sale of the Titus Pit property from the Roads Services Division to the Department of Natural Resources and Parks. The \$1.25 million would be appropriated for Roads Services Division facility improvements, including:

- Additional funds to support construction of salt sheds to protect Roads' investment in road treatment material for winter weather;
- Initial efforts to support electrical upgrades for our Renton maintenance campus to reduce risk of campus-wide electrical failures and power outages; and
- Adding staff capacity to support a capital projects manager (TLT) to implement the various capital projects programmed for 2025.

This is consistent with the adopted Roads Services Division Financial Policies and Practices³⁹ and Strategic Plan for Road Services 2014 Update⁴⁰, which called for proceeds from surplus property sales to be used to make improvements to division facilities rather than road overlay or other routine asset maintenance projects.

Solid Waste Construction

\$13,330,333

NEW POLICY

Transfer Station Major Asset Rehabilitation [\$13,330,333]. The proposed ordinance would appropriate approximately \$13.3 million for the ongoing Transfer Station Major Asset Rehabilitation capital project. This project is used for the rehabilitation of major assets at the transfer stations, as well as other capital assets within the Solid Waste Division, and covers major overhaul or replacement. Executive staff indicate that examples of planned work with this appropriation include: structural floor repairs at the Factory Recycling and Transfer Station (RTS); fire mitigation upgrades at the Enumclaw

³⁹ Motion 13595

⁴⁰ Motion 14190

RTS; and stormwater improvements to meet water quality standards at the Houghton RTS, to name a few. A full list of anticipated work is available upon request. The appropriation request is proposed to be funded by General Obligation bonds.

According to budget materials, the requested appropriation includes 2025 spending in excess of the existing appropriation, as well as the appropriation for the 2026-2027 biennium. Executive staff indicate that the Division forecasts spending approximately \$16.0 million for this project in the years 2025 through 2027, which includes \$2.8 million in existing appropriation. Of the \$16.0 million in forecasted expenditures during this period, approximately \$7.2 million would be spent in 2025 and \$8.9 million in 2026-2027, according to Executive staff. Executive staff note that the Division considered splitting the appropriation requests between 2025 and the 2026-2027 Biennial Budget but indicated “the overlapping timelines of development and subsequent adoption of the budgets may have resulted in confusion” and consolidating the request “allowed for clearer communication about appropriation need for the next few years, more stable data for forecasting spending, and a smoother administrative process.” Councilmembers could consider limiting the appropriation in the proposed ordinance to the planned expenditures in 2025 and requesting that 2026-2027 expenditures be included in the biennial budget to provide more clarity about total capital expenditures planned in 2025-2026 as they deliberate on the biennial budget.

Landfill Reserve Fund**\$91,053,395****NEW POLICY**

Cedar Hills Regional Landfill Major Asset Rehabilitation [\$8,758,789]. The proposed ordinance would appropriate approximately \$8.8 million for the ongoing Cedar Hills Regional Landfill Major Asset Rehabilitation capital project. This project is used for the assessment of major assets at the landfill and supports major overhaul or replacement. Executive staff state that the proposed appropriation would support both newly planned asset replacement and rehabilitation, as well as cost increases in previously planned replacements. Examples of work at the landfill that are expected to be completed with the requested appropriation include: safety improvements to the haul road; increased costs in deconstruction of eastern properties to reestablish the 1000-foot buffer; investigation and repair of leachate leak under the liner and remediation cleanup requirements; to name a few. A full list of anticipated work is available upon request. The appropriation request is proposed to be funded by General Obligation bonds.

According to Executive staff, the requested appropriation includes 2025 spending, as well as the appropriation for the 2026-2027 biennium. Executive staff indicate that the Division forecasts spending approximately \$13.5 million for the work in the years 2025 through 2027, which includes \$2.2 million in existing budget authority. Of the \$13.5 million in forecasted expenditures during this period, approximately \$3.5 million would be spent in 2025 and \$10.0 million in 2026-2027, according to Executive staff.

Councilmembers could consider limiting the appropriation in the proposed ordinance to the planned expenditures in 2025 and requesting that 2026-2027 expenditures be included in the biennial budget to provide more clarity about total capital expenditures planned in 2025-2026 when they deliberate on the biennial budget.

Executive staff indicate that none of the planned work under this requested appropriation is related to the forthcoming legislation that would authorize the acquisition of the landfill gas processing facility onsite at the Cedar Hills landfill. Council staff are anticipating that the purchase and sale agreement for the facility acquisition, as well as a supplemental budget ordinance supporting acquisition, will be transmitted shortly. Further details about this package of legislation will be provided following transmittal.

Cedar Hills Regional Landfill Header Replacement [\$6,346,687]. The proposed ordinance would appropriate approximately \$6.3 million for the previously approved project to replace the header component of the landfill gas collection system that experiences frequent failures. According to budget materials, the estimated total cost at completion has increased from approximately \$5.7 million (2022 estimate) to approximately \$12.1 million. Budget materials indicate that the requested appropriation will address unanticipated cost escalations, as well as cover additional pipeline length, replacement equipment, and consultant work. Part of the requested appropriation is offset by a \$2.63 million Climate Commitment Act grant from the Department of Ecology and the remaining approximately \$3.7 million of the request is proposed to be funded by General Obligation bonds.

Executive staff indicate that none of the planned work under this requested appropriation is related to the forthcoming legislation that would authorize the acquisition of the landfill gas processing facility onsite at the Cedar Hills landfill. Council staff are anticipating that the purchase and sale agreement for the facility acquisition, as well as a supplemental budget ordinance supporting acquisition, will be transmitted shortly. Further details about this package of legislation will be provided following transmittal.

Restructure of Cedar Hills Top Deck Development and Closure Capital Projects in Areas 5 and 6.

The proposed ordinance includes a restructure of related capital projects concerning Areas 5 and 6 that would:

- Disappropriate the remaining appropriation for and closeout the following existing projects: ***Area 5 Top Deck Development and Closure project [-\$11,000,000]*** and ***Area 6 Top Deck project [-\$11,000,000]***; and
- Create the following two new projects that will cover the same scope of work as the disappropriated projects, as well as appropriate additional money for the next

phases of work: **Area 5/6 Top Deck Development [\$43,234,348]** and **Area 5/6 Top Deck Closure [\$54,713,571]**.

The projects proposed for disappropriation and closeout were intended to develop the top decks in Areas 5 and 6 of the landfill, which allows for waste deposit to the allowable height, and to also construct the closure cover system as required by state law in those areas. This work is underway; however, Executive staff indicate they are proposing to restructure the way this work is budgeted in the capital project system to increase transparency for costs and help track revenue more efficiently. According to Executive staff, both the design and construction for the top deck in Areas 5 and 6 have been integrated into a single contract and consolidation of this work into a single project for development better reflects the reality of work. Executive staff state that the rationale for creating a separate project for the closure cover work in both areas is that the construction will be advertised and awarded under a different contract and the project is cash-funded instead of bond-funded.

Executive staff indicate that the requested appropriation of approximately \$43.2 million for the Area 5/6 Top Deck Development project is expected to be sufficient to complete this work through project closeout and is proposed to be funded by General Obligation bonds. Executive staff also state that the requested appropriation of approximately \$54.7 million for the Area 5/6 Top Deck Closure project is expected to be sufficient to complete this work through project closeout and is proposed to be cash funded with solid waste fee revenue.

According to budget materials, the current plan is to fill Areas 5 and 6 to capacity after Area 8 is full, which is expected to occur based on current forecasts in January 2027. After Areas 5 and 6 are reach capacity, which is projected in the 2030-2031 timeframe, the Division expects to fill Area 9, which is currently being developed.

Council staff analysis is ongoing.

Building Repair and Replacement Subfund

\$4,233,876

NEW POLICY

SODO Hub Security Camera Upgrade [\$15,368]. The proposed ordinance would appropriate approximately \$15,000 for security cameras at the SODO hub. The existing cameras are offline and incompatible with standard King County monitoring equipment and software. According to the project description, the project is "essential for ensuring the safety of both occupants and equipment within the building, while also improving the efficiency of building maintenance."

Distributed Antenna System Upgrade [\$4,400,000]. The proposed ordinance would appropriate \$4.4 million to replace the existing radio system at the King County Correctional Facility (KCCF), King County Courthouse (KCCH), and Maleng Regional

Justice Center (MRJC), which have been experiencing radio performance and coverage issues. The Facilities Management Division anticipates completing the work by the end of this year. This project is included in Proposed Ordinance 2025-0158, which was transmitted with the omnibus and would amend the bond ordinance the Council passed in 2024.⁴¹

Executive staff indicate that the focus in 2025 is on the KCCF, KCCH, and MRJC, but FMD is assessing the need for improvements at other County-owned facilities. Depending on the results of that assessment, funding for other facilities may be requested for the 2026-2027 Biennial Budget.

TECHNICAL

Downtown Public Health Buprenorphine Program Disappropriation [-\$181,492].

The proposed ordinance would disappropriate \$181,492 from a completed BUPE Program space improvement project at the Downtown Public Health Center.

TIMING

The BFM Chair, in consultation with staff, has proposed a schedule for 2025 1st Omnibus activities, which is provided in the table below.

2025 1st Omnibus Schedule

Date	Activity
May 29 th (Thurs)	Executive transmits
June 11th (Wed) 9:30am	BFM – Committee briefing
June 27th (Fri) COB	<i>Striking amendment requests due to BFM Chair</i>
June 30 th (Mon) COB	BFM Chair's striking amendment direction due to staff & <i>district councilmanic grant allocations due April Sanders</i>
July 2 nd (Wed) COB	Striking amendment finalized and distributed
July 7 th (Mon) COB	Line amendment direction due to staff
July 9th (Wed) 9:30am	BFM – Committee action on striker and line amendments
July 14 th (Mon) Noon	Line amendment direction due to staff for Full Council
July 15th (Tues) 1:30pm	Full Council – Possible action

⁴¹ Ordinance 19862

INVITED

- Dwight Dively, Director, Office of Performance, Strategy, and Budget (PSB)

ATTACHMENTS

1. Proposed Ordinance 2025-0159 and the following attachment:
 - A. Capital Improvement Program dated 5-20-2025
2. Transmittal Letter
3. All Financial Plans
4. 2025 1st Omnibus Operating Crosswalk
5. 2025 General Fund Financial Plan, dated May 15, 2025



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2025-0159.1

Sponsors Dembowski

1 AN ORDINANCE making a net supplemental
2 appropriation of \$103,171,000 to various general fund
3 agencies, a net supplemental appropriation of \$140,221,000
4 to various non-general fund agencies and a net
5 supplemental appropriation of \$173,447,701 from various
6 capital fund budgets; and amending the 2025 Annual
7 Budget Ordinance, Ordinance 19861, Sections 16, 18, 20,
8 29, 32, 33, 35, 41, 42, 42, 45, 46, 47, 48, 49, 50, 51, 52, 54,
9 55, 64, 71, 80, 90, 90, 94, 97, 98, 103, 104, 107, 109, 109,
10 110, 114, 115, 115, 121, 123, and 130, as amended, and
11 Attachment A, as amended, and adding new section to
12 Ordinance 19861.

13 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

14 SECTION 1. Ordinance 19861, Section 16, as amended, is hereby amended as follows:

15 OFFICE OF PERFORMANCE, STRATEGY, AND BUDGET - From the general
16 fund there is hereby appropriated to:

17 Office of performance, strategy, and budget \$0

18 The maximum number of additional FTEs for office of performance, strategy, and budget
19 shall be: 1.0

22 OFFICE OF CLIMATE - From the general fund there is hereby appropriated to:

24 SECTION 3. Ordinance 19861, Section 20, as amended, is hereby amended as

26 SHERIFF - From the general fund there is hereby appropriated to:

28 The maximum number of additional FTEs for sheriff shall be: 10.0

30 follows:

32	Parking facilities	\$122,000
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34 follows:

36	Superior court	\$599,000
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38 follows:

40	District court	\$1,025,000
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42 follows:

44 appropriated to:

46 SECTION 8. Ordinance 19861, Section 41, as amended, is hereby amended as

47 follows:

49	Internal support	\$5,900,000
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51 EXTERNAL SUPPORT - From the general fund there is hereby disappropriated

52 from:

54 SECTION 10. The council directs that section 9 of this ordinance takes effect

55 before section 11 of this ordinance.

57 follows:

59	External support	\$9,472,000
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60 ER1 EXPENDITURE RESTRICTION:

61 Of this appropriation, \$250,000 shall be expended or encumbered solely to
62 support the Firearm Injury & Policy Research Program at the University of Washington.

63 ER2 EXPENDITURE RESTRICTION:

64 Of this appropriation, \$14,741,000 shall be expended or encumbered solely to
65 support the following projects, contingent on the executive determining that each project

66 serves a fundamental governmental purpose, a county purpose for which the county is
 67 receiving consideration, or support of the poor or infirm:

68	Abu Bakr Islamic Center(Shared Kitchen Project)	\$200,000
69	<u>Access to Our Community</u>	<u>\$1,000,000</u>
70	Africatown Community Land Trust William Grose Center for	
71	Innovation Project	\$1,000,000
72	AiPACE	\$1,500,000
73	Akin Lake City Family Resource Center Project	\$750,000
74	((Center of Success Project	\$1,000,000))
75	City of Kenmore Senior Center Project	\$250,000
76	City of Kirkland Historic Cabin Project	\$250,000
77	City of Lake Forest Park Public Waterfront Park Project	\$500,000
78	Comunidad Latina de Vashon Placita	\$300,000
79	Congolese Integration Network	\$200,000
80	Consejo Counseling and Referral Service Project	\$150,000
81	Constellation Center - YouthCare	\$1,000,000
82	El Centro de la Raza Beacon Hill Community Center Project	\$1,000,000
83	Federal Way National Little League Project	\$1,000,000
84	HealthPoint Tukwila Project	\$300,000
85	Indian American Community Services Kent Project	\$1,500,000
86	Lake City Collective Culture Center Project	\$1,000,000
87	Lambert House Project	\$1,500,000
88	Lifelong AIDS Georgetown Kitchen Project	\$791,000

90	Starfire Sports Project	\$250,000
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93 GENERAL FUND TRANSFER TO DEPARTMENT OF LOCAL SERVICES -

95	General fund transfer to department of local services	\$2,296,000
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98 GENERAL FUND TRANSFER TO DEPARTMENT OF COMMUNITY AND

100	General fund transfer to department of community and
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102 SECTION 14. Ordinance 19861, Section 47, as amended, is hereby amended as

104 GENERAL FUND TRANSFER TO DEPARTMENT OF EXECUTIVE

106	General fund transfer to department of executive services	\$2,267,000
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109 GENERAL FUND TRANSFER TO DEPARTMENT OF PUBLIC HEALTH -

111	General fund transfer to department of public health	\$3,530,000
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112 SECTION 16. Ordinance 19861, Section 49, as amended, is hereby amended as
113 follows:

114 GENERAL FUND TRANSFER TO DEPARTMENT OF NATURAL
115 RESOURCES AND PARKS - From the general fund there is hereby appropriated to:
116 General fund transfer to department of natural resources and parks \$2,218,000

117 SECTION 17. Ordinance 19861, Section 50, as amended, is hereby amended as
118 follows:

119 GENERAL FUND TRANSFER TO DEPARTMENT OF EXECUTIVE
120 SERVICES CAPITAL IMPROVEMENT PROGRAM - From the general fund there is
121 hereby appropriated to:
122 General fund transfer to department of executive services capital improvement
123 program \$4,275,000

124 SECTION 18. Ordinance 19861, Section 51, as amended, is hereby amended as
125 follows:

126 GENERAL FUND TRANSFER TO GENERAL FUND TECHNOLOGY
127 CAPITAL F3280 - From the general fund there is hereby appropriated to:
128 General fund transfer to general fund technology capital F3280 \$775,000

129 SECTION 19. Ordinance 19861, Section 52, as amended, is hereby amended as
130 follows:

131 JAIL HEALTH SERVICES - From the general fund there is hereby appropriated
132 to:
133 Jail health services \$1,504,000

135 follows:

137 appropriated to:

138	Adult and juvenile detention	\$9,150,000
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139 The maximum number of additional FTEs for adult and juvenile detention shall be: 1.0

141 follows:

142 PUBLIC DEFENSE - From the general fund there is hereby appropriated to:

143	Public defense	\$5,691,000
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145 follows:

146 BEHAVIORAL HEALTH AND RECOVERY DIVISION - BEHAVIORAL

147 HEALTH - From the behavioral health fund there is hereby appropriated to:

148	Behavioral health and recovery division - behavioral health	\$71,500,000
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150 follows:

152 seniors and human services levy fund there is hereby appropriated to:

153	Veterans seniors and human services levy	\$25,570,000
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155 follows:

156 SURFACE WATER MANAGEMENT LOCAL DRAINAGE SERVICES - From
157 the surface water management fund there is hereby appropriated to:

158 Surface water management local drainage services \$621,000

159 SECTION 25. Ordinance 19861, Section 90, as amended, is hereby amended as
160 follows:

161 LOCAL SERVICES ADMINISTRATION - From the general fund there is
162 hereby disappropriated from:

163 Local services administration (\$100,000)

164 SECTION 26. The council directs that section 25 of this ordinance takes effect
165 before section 27 of this ordinance.

166 SECTION 27. Ordinance 19861, Section 90, as amended, is hereby amended as
167 follows:

168 LOCAL SERVICES ADMINISTRATION - From the general fund there is
169 hereby appropriated to:

170 Local services administration \$100,000

171 ~~((ER1 EXPENDITURE RESTRICTION:~~

172 ~~Of this appropriation, \$100,000 shall be expended or encumbered solely for work~~
173 ~~on the 2024 King County Comprehensive Plan work plan action item relating to creation~~
174 ~~of a legacy business program for unincorporated King County.))~~

175 ER2 EXPENDITURE RESTRICTION ER:

176 Of this appropriation, \$330,000 shall not be expended or encumbered solely for
177 work on the 2024 King County Comprehensive Plan work plan Action Item 7, Rural

178 Economic Strategies report and any proposed ordinance implementing the
179 recommendations in the report.”

180 SECTION 28. Ordinance 19861, Section 94, as amended, is hereby amended as
181 follows:

182 PARKS AND RECREATION - From the parks and recreation fund there is
183 hereby appropriated to:

184	Parks and recreation	\$2,771,000
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185 SECTION 29. Ordinance 19861, Section 97, as amended, is hereby amended as
186 follows:

187 HISTORIC PRESERVATION PROGRAM - From the historical preservation and
188 historical programs fund there is hereby appropriated to:

189	Historic preservation program	\$299,000
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190 SECTION 30. Ordinance 19861, Section 98, as amended, is hereby amended as
191 follows:

192 BEST STARTS FOR KIDS - From the best starts for kids fund there is hereby
193 appropriated to:

194	Best starts for kids	\$0
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195	The maximum number of additional FTEs for best starts for kids shall be:	1.0
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196 SECTION 31. Ordinance 19861, Section 103, as amended, is hereby amended as
197 follows:

198 PUBLIC HEALTH - From the public health fund there is hereby appropriated to:

199	Public health	\$13,064,000
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200	The maximum number of additional FTEs for public health shall be:	2.0
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10

224 Of this appropriation, \$500,000 shall not be expended or encumbered until the
225 executive transmits a flow control analysis and enforcement report and a motion that
226 should acknowledge receipt of the flow control analysis and enforcement report(~~(, and a~~
227 ~~motion acknowledging receipt of the flow control analysis and enforcement report is~~
228 ~~passed by the council))~~). The motion should reference the subject matter, the proviso's
229 ordinance, ordinance section, and proviso number in both the title and body of the
230 motion.

231 A. The solid waste division ("the division") may contract with a consultant to
232 produce the flow control analysis and enforcement report. "Flow control" for the
233 purposes of this report refers to the methods used by governmental entities to control the
234 disposition of waste generated within its jurisdiction. The methods may include, but are
235 not limited to, policies, ordinances, regulations, contracts, and agreements. The
236 consultant shall specifically focus its efforts on the flow of construction and demolition
237 ("C&D") materials in the county's regional solid waste system, which shall include
238 recyclable, nonrecyclable, and mixed loads of materials. As part of the consultant's work
239 to produce the report, the consultant shall evaluate overall flow control compliance for
240 C&D materials in the county system. The evaluation should be accomplished through
241 review of available data and reporting information, through anecdotal evidence, and
242 through analysis of any policy and enforcement gaps. The division should furnish any
243 records or data as requested by the consultant.

244 B. The flow control analysis and enforcement report shall include, but not be
245 limited to:

246 1. An inventory and descriptions of existing flow control methods applicable to
247 C&D materials. The flow control methods shall include, but not be limited to, flow
248 control methods used by the federal government, state government, King County, and
249 cities participating in the county's regional solid waste system through interlocal
250 agreement;

251 2. A summary of enforcement efforts undertaken by the county related to its
252 flow control methods for C&D materials;

253 3. Findings from the evaluation of flow control compliance for C&D materials;
254 and

255 4. Recommended actions and policies the county could take to improve flow
256 control compliance for C&D materials.

257 The executive should electronically file the flow control analysis and enforcement
258 report and a motion required by this proviso by December 15, 2025, with the clerk of the
259 council, who shall retain an electronic copy and provide an electronic copy to all
260 councilmembers, the council chief of staff, and the lead staff for the transportation,
261 economy, and environment committee or its successor.

262 P2 PROVIDED FURTHER THAT:

263 Of this appropriation, \$500,000 shall not be expended or encumbered until the
264 executive transmits an organics system mapping and policy report and a motion that
265 should acknowledge receipt of the organics system mapping and policy report(~~(, and a~~
266 ~~motion acknowledging receipt of the organics system mapping and policy report is~~
267 ~~passed by the council)~~). The motion should reference the subject matter, the proviso's

ordinance, ordinance section, and proviso number in both the title and body of the motion.

To further the council's understanding, in support of the county's zero waste goal, the organics system mapping and policy report should include information regarding the flow of organic materials in the county's regional solid waste system, identification of regulatory and compliance gaps in the system, and recommended policy and program changes to make further progress toward the zero waste and other solid waste system goals.

The organics system mapping and policy report shall include, but not be limited to:

A. A comprehensive analysis that maps or otherwise depicts or describes the various ways organic materials flow through the county's solid waste system. The analysis shall:

1. Identify the different types of generators of organic materials that exist in the system and the applicable regulations regarding collection and management of organics for each generator type. This part of the analysis shall include all relevant federal, state, county, and city regulations concerning organics collection and management and take into account the city-by-city differences in collection contracts and city codes. The party responsible for enforcement of each regulation shall also be identified;

2. List all known entities that provide collection or management services for organic materials generated in the county's regional solid waste system. For each entity or type of entity, the report shall also identify all applicable federal, state, county, and city regulations regarding the collection or management of organics, as well as the

regulations that pertain to flow control and in support of diversion of organics to other uses besides landfilling. The regulations may include, but are not limited to, source separation of organics, quality assurance standards for organic materials contained in city contracts or city codes, and minimization of contamination. The entities providing collection or management entities may include, but are not limited to, composting facilities, anaerobic digestion facilities, haulers, and self-haulers.

3. Identify the party responsible for enforcement of each regulation identified in subsection 2 shall include any known performance data for each entity that illustrates the solid waste system's success at diverting organics from being landfilled, such as the facility's residual rate, which refers to the proportion of materials that is disposed due to contamination or other reasons;

4. Identify any areas in the system where significant leakage of organic materials may be occurring. For the purposes of this proviso, "leakage" refers to organic materials not being managed in accordance with existing applicable regulations either by intention or accident. For example, if a city contract directs all organic materials collected within its jurisdiction to a designated facility, leakage in this example could be organic materials that are taken to a different facility. That section of the analysis shall also include the potential ways in which the applicable regulatory entities would know or find out about possible instances of leakage;

5. Include an evaluation that identifies potential regulatory and compliance gaps at the federal, state, county, and city levels that are potentially hindering the county's efforts on zero waste. This portion of the analysis shall also include the generator types, or subtypes as appropriate, where significant noncompliance may exist; and

334 SECTION 38. Ordinance 19861, Section 114, as amended, is hereby amended as
335 follows:

338	Wastewater treatment	\$12,852,000
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341 TRANSIT - From the general fund there is hereby disappropriated from:

343 SECTION 40. The council directs that section 39 of this ordinance takes effect
344 before section 41 of this ordinance.

347 TRANSIT - From the general fund there is hereby appropriated to:

349 ER1 EXPENDITURE RESTRICTION:

354 P1 PROVIDED THAT:

355 Of this appropriation, \$100,000 shall not be expended or encumbered until the
356 executive provides a briefing to the budget and fiscal management committee or its
357 successor on the Metro transit department's 2028-2029 biennium total reserve levels,
358 defined as the sum of the individual reserves and designations in the reserves category of

the public transportation fund, which are expected to be below the level required in the fund management policies for the public transportation fund in Ordinance 18321. The briefing shall include, but not be limited to, the following:

A. Potential impacts to the Metro transit department's operating budget, including, but not limited to, transit service, staffing, or operating procedures;

B. Potential actions that could result in increased revenue to support the Metro transit department's operating or capital budgets, including, but not limited to, actions to increase adult fare ridership, actions to increase transit farebox revenues, or actions to increase grant funding or support from partner jurisdictions or partner agencies;

C. Potential impacts to the Metro transit department's infrastructure capital or revenue fleet budgets, including, but not limited to, reducing, reprioritizing, modifying, or delaying planned capital investments or planned fleet purchases; and

D. Potential requests for additional revenue support for the Metro transit department.

The executive should provide the briefing required by this by June 19, 2025.

P2 PROVIDED FURTHER THAT:

Of this appropriation, \$100,000 shall not be expended or encumbered until the executive transmits a maximizing climate benefits through transit report.

A. The King County 2020 strategic climate action plan, which was adopted through Motion 15866, identifies several strategies to reduce transportation-related greenhouse gas emissions, including by increasing use of transit and by reducing emissions from county-owned vehicles. Ordinance 19052, which the council passed in 2020, set the goal that the Metro transit department would transition to a fully zero-

382 emission revenue transit fleet by 2035. The Metro transit department was asked to
383 identify the potential tradeoffs between expanding service to increase transit ridership
384 and investing in the fleet and capital expenditures necessary to transition to a zero-
385 emission fleet. That report, which was submitted to the council in late 2020, indicated
386 that the tradeoff between service and capital to achieve the goal of reducing greenhouse
387 gas emissions would depend on the costs to acquire and operate battery electric buses,
388 specifically that, if costs remain steady over time, the additional cost of acquiring and
389 operating a zero-emission fleet would be equivalent to providing two hundred thirty-
390 seven thousand annual service hours over a nineteen-year period, but, if costs decrease
391 with advances in technology, the lifecycle and societal costs of zero-emission and diesel
392 hybrid buses would be roughly equivalent over the same nineteen-year period. Since that
393 time, the Metro transit department has moved forward with the transition to a zero-
394 emission fleet, consistent with the goal adopted through Ordinance 19052, receiving
395 appropriation authority of more than \$250,000,000 in the 2023-2024 biennium and
396 requesting appropriation authority of nearly \$500,000,000 for 2025 to continue with the
397 fleet purchases and bus base development and conversion necessary to achieve a fully
398 zero-emission fleet by 2035. In June 2024, the King County auditor published a report
399 that noted that the Metro transit department faces significant risks in the transition to a
400 fully zero-emission fleet, including the loss of domestic bus manufacturers, technology
401 limitations, sufficient electricity supply in the future, and lagging battery electric bus
402 performance. As the Metro transit department has been working to convert to a zero-
403 emission fleet, it has also been working to recover from the pandemic by rebuilding
404 operational capacity and recovering ridership. As of August 2024, the Metro transit

department is operating approximately eighty-seven percent of prepandemic service levels for approximately sixty-four percent of prepandemic weekday ridership. The combination of the pandemic's impacts on transit service and ridership, as well as the technological challenges involved in moving to a zero-emission revenue bus fleet, make it imperative to reevaluate the optimal balance between strategies to achieve King County's climate goal of reducing transportation-related greenhouse gas emissions through the public transportation system.

B. The maximizing climate benefits through transit report required by this proviso shall include, but not be limited to:

1. A timeline and anticipated annual costs for the planned fleet purchases, base conversions, and other capital investments necessary to achieve a fully zero-emission revenue bus fleet;

2. An update covering the years 2025 through 2045 to the cost projections developed for the September 30, 2020, Zero-Emission Battery Bus Preliminary Implementation Plan, 2020-RPT0142, which compared the cost of a zero-emission fleet to continuing the Metro transit department's current fleet practices, and which indicated that, in a moderate case that included social benefits, battery-electric buses would be forty-two percent more expensive than diesel hybrid buses, for a total cost change of \$574,000,000 or approximately 237,000 annual service hours over nineteen years; and

3. Information on the Metro transit department's coordination with the King County climate office on the development of the 2025 update to the strategic climate action plan to update the analysis in that plan about the contributions of transportation to greenhouse gas emissions, including the health impacts of greenhouse gas emissions from

transit compared with increased ridership on transit, as well as the strategies that could be implemented to reduce these emissions.

The executive should electronically file the report required by this proviso by August 28, 2025, with the clerk of the council, who shall retain an electronic copy and provide an electronic copy to all councilmembers, the council chief of staff, and the lead staff for the transportation, economy, and environment committee or its successor.

P3 PROVIDED FURTHER THAT:

Of this appropriation, \$50,000 shall not be expended or encumbered until the executive transmits an Access paratransit service update report. The report shall include, but not be limited, to:

A. The contractor's compliance with contract terms;

B. Performance metrics and trends for 2024, including, but not limited to:

1. On-time performance;

2. Pickup window, including early pickups, late pickups, and excessively late pickups, as defined in the existing Access paratransit service contract with MV Transportation;

3. Missed trips;

4. Drop-off window, including early drop-offs and late drop-offs;

5. Onboard time and excessively long trips; and

6. Will call;

C. Areas of deficiency or improvement during 2024; and

D. Potential service improvements or innovations, including information about the costs to implement these improvements or innovations.

451 The executive should electronically file the report required by this proviso August
452 31, 2025, with the clerk of the council, who shall retain an electronic copy and provide an
453 electronic copy to all councilmembers, the council chief of staff, and the lead staff for the
454 transportation, economy, and environment committee or its successor.

455 P4 PROVIDED FURTHER THAT:

456 Of this appropriation, \$50,000 shall not be expended or encumbered until the
457 executive transmits a vanpool update report and a motion that should acknowledge
458 receipt of the report(~~(, and a motion acknowledging receipt of a report is passed by the~~
459 ~~council~~)). The motion should reference the subject matter, the proviso's ordinance,
460 ordinance section, and proviso number in both the title and body of the motion. The
461 report shall include, but not be limited, to:

462 A. The number of active vanpool groups, including, but not limited to:
463 1. The number of vanpool groups that were active at the end of 2024;
464 2. Estimates of the number of vanpool groups that will be active at the end of
465 2025, 2026, and 2027; and
466 3. A description of the marketing and outreach efforts the Metro transit
467 department is undertaking to respond to changing commute patterns and to increase
468 ridership from new markets, including, but not limited to, schools, as well as shift,
469 hospitality, and essential worker workforces;

470 B. The total number of vanpool vehicles owned by the Metro transit department
471 as of the end of 2024, including, but not limited to:

472 1. The number and type of vehicles available for service;
473 2. The number of vehicles available to serve as loaners for vanpool groups; and

474 3. The number of retired or surplus vehicles, or vehicles that are eligible to be
475 retired or surplus, that remain in the inventory;

476 C. A description of the Metro transit department's plans to acquire vehicles for
477 the vanpool program, including, but not limited to:

478 1. The number and type of vehicles planned for acquisition during 2025, 2026,
479 and 2027;

480 2. A comparison of the costs and number of models available for gas vehicles,
481 gas-electric hybrid vehicles, and battery-electric vehicles;

482 3. The implications of vehicle type for fares, accessibility, and at-home vehicle
483 charging needs; and

484 4. The potential implications of increasing numbers of battery-electric vehicles
485 for the van grant program, established in K.C.C. 4.56.100.E., including, but not limited
486 to, how vehicle charging needs might affect the organizations that apply to receive a
487 retired vanpool van and how well battery-electric vehicles will be able to meet the needs
488 of seniors and people with disabilities; and

489 D. A description of the actions Metro transit department indicated it was going to
490 take in its written responses to the June 2024 report by the King County auditor entitled
491 Vanpool: Improved Monitoring Could Help Achieve Strategic Goals and Reduce
492 Program Risk.

493 The executive should electronically file the report and a motion required by this
494 proviso by August 31, 2025, with the clerk of the council, who shall retain an electronic
495 copy and provide an electronic copy to all councilmembers, the council chief of staff, and

496 the lead staff for the transportation, economy, and environment committee or its
497 successor.

498 P5 PROVIDED FURTHER THAT:

499 Of this appropriation, \$100,000 shall not be expended or encumbered until the
500 executive transmits an expediting RapidRide report and a motion that should
501 acknowledge receipt of the report(~~(, and a motion acknowledging receipt of a report is~~
502 ~~passed by the council)~~). The motion should reference the subject matter, the proviso's
503 ordinance, ordinance section, and proviso number in both the title and body of the
504 motion.

505 The report shall include, but not be limited to, the following:

506 A. A summary of the expected timeline for planning, development, and
507 implementation of a RapidRide line, including, but not limited to, technical analysis,
508 design, community engagement, coordination with partners, permitting, environmental
509 review, grant applications, property acquisition, and construction, as well as a summary
510 of how that expected timeline compares with the Metro transit department's actual
511 experience with RapidRide lines opened or planned for implementation between 2020
512 and 2031;

513 B. A description of the efforts the Metro transit department has taken to respond
514 to the recommendations contained in the July 18, 2023, King County auditor's office
515 audit entitled Metro Transit: Strengthening Data, Communication, and Continuous
516 Improvement Processes Could Help Reduce Project Delays, including how the Metro
517 transit department's responses to the audit recommendations could expedite the
518 development of planned RapidRide lines;

519 C. A description of any efforts the Metro transit department has taken to change
520 its capital delivery processes based on best practices for capital delivery identified or
521 implemented by peer agencies or based on the Metro transit department's past
522 experiences with partner jurisdictions and agencies that own and operate the right-of-way
523 on which RapidRide lines run; and

524 D. Any legislation necessary to expedite Metro transit department capital
525 delivery processes, including any legislation necessary to expedite the development of
526 planned RapidRide lines.

527 The executive should electronically file the report and a motion required by this
528 proviso September 30, 2025, with the clerk of the council, who shall retain an electronic
529 copy and provide an electronic copy to all councilmembers, the council chief of staff, and
530 the lead staff for the transportation, economy, and environment committee or its
531 successor.

532 P6 PROVIDED FURTHER THAT:

533 Of this appropriation, \$100,000 shall not be expended or encumbered until the
534 executive provides a briefing to the regional transit committee or the transportation,
535 economy, and environment committee or its successor. The briefing shall include, but not
536 be limited to, the following:

537 A. Information about transit safety and security incidents, including, but
538 not limited to:

539 1. A description of the Metro transit department's current targets for
540 safety and security incidents, including, but not limited to, operator assaults,
541 passenger disturbances, and other safety and security incidents on transit or at

transit stops. For context, the Metro transit department's strategic plan dashboard identifies a target of zero for operator assaults, but does not identify a target for passenger disturbances or for other safety and security incidents;

2. A number of safety and security incidents, by category, that occurred during the 2023-2024 biennium, including, but not limited to, operator assaults, passenger disturbances, and other safety and security incidents on transit or at transit stops;

3. A listing of routes, transit stops or centers, or geographic locations, that have experienced the highest numbers of incidents by category and overall; and

4. Information on the reductions in safety and security incidents the Metro transit department seeks to achieve in 2025; and

B. A description of strategies that will be used, including, but not limited to, additional staff or resources that are needed for the Metro transit department to reduce the number of safety and security incidents during 2025 and to meet its safety and security targets, including, but not limited to, a description of how resources, staff, or contracted security officers will be focused on bus routes, transit stops or centers, or geographic locations.

The executive should provide the briefing required by this proviso by April 30, 2025.

P7 PROVIDED FURTHER THAT:

Of this appropriation, \$50,000 shall not be expended or encumbered until the executive transmits a Vashon Island signage and wayfinding report.

565 A. The Metro transit department's marine division provides water taxi service on
566 two routes: between downtown Seattle and West Seattle and between downtown Seattle
567 and Vashon Island. Because the water taxi vessels do not accommodate automobiles,
568 passengers need convenient mobility options at each end of their water taxi trip. In
569 downtown Seattle, there are many mobility options, including multiple transit routes. In
570 West Seattle, the Metro transit department operates two dial-a-ride-transit ("DART")
571 routes to help passengers travel between the water taxi terminal and key local
572 destinations. On Vashon Island, the Metro transit department operates two bus routes
573 that serve key destinations on the island and that may also be flagged down anywhere
574 along the route where there are no regularly posted stops and it is safe to stop. Transit
575 service on Vashon Island to and from the water taxi terminal and key destinations,
576 including, but not limited to, Vashon Town Center, Maury Island, the west side of
577 Vashon Island, and the south end of Vashon Island, is not as frequent or extensive as the
578 transit service provided in West Seattle. It is important that passengers traveling to and
579 from the Vashon Island water taxi terminal have convenient mobility options during the
580 weekday morning and evening peak commute hours, particularly on Wednesdays,
581 Thursdays, and Fridays. For the 2026-2027 biennium, the Metro transit department is
582 already committed to community engagement and planning to inform the Seattle/Vashon
583 Island service restructure, as outlined in the Service Recovery Plan approved by
584 Ordinance 19581. That service restructure will include a report sent to the King County
585 council with information about options to add flexible mobility services, including, but
586 not limited to, DART service, Metro Flex service, and additional community van service,
587 and options to align service on existing bus routes 118 and 119 to coordinate with water

588 taxi sailings. Engagement and planning for that report is planned to start in 2025, with
589 the report expected in the 2026-2027 biennium.

590 B. The Vashon Island signage and wayfinding report required by this proviso
591 shall include, but not be limited to, options to configure destination signage on the buses
592 assigned to these routes to indicate that the routes serve the Vashon Island water taxi
593 terminal and to add signage or other wayfinding materials at the water taxi terminal to
594 direct passengers to the buses.

595 The executive should electronically file the report required by this proviso by
596 September 30, 2025, with the clerk of the council, who shall retain an electronic copy and
597 provide an electronic copy to all councilmembers, the council chief of staff, and the lead
598 staff for the transportation, economy, and environment committee or its successor.

599 SECTION 42. Ordinance 19861, Section 121, as amended, is hereby amended as
600 follows:

601 FACILITIES MANAGEMENT INTERNAL SERVICE - From the facilities
602 management fund there is hereby appropriated to:

603	Facilities management internal service	\$0
604	The maximum number of additional FTEs for facilities management internal service shall	
605	be:	3.0

606 SECTION 43. Ordinance 19861, Section 123, as amended, is hereby amended as
607 follows:

608 KING COUNTY INFORMATION TECHNOLOGY SERVICES - From the
609 department of information technology operating fund there is hereby appropriated to:

610	King County information technology services	\$3,260,000
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611 SECTION 44. Ordinance 19861, Section 130, as amended, is hereby amended to
612 read as follows:

613 From the several capital improvement project funds there are hereby appropriated
614 and authorized to be disbursed the following amounts for the specific projects identified
615 in Attachment A to this ordinance (Proposed Ordinance 2025-0159).

616	Fund	Fund Name	2025
617	3151	CONSERVATION FUTURES	\$0
618	3230	DEPARTMENT OF PUBLIC HEALTH TECHNOLOGY	
619		CAPITAL	\$370,581
620	3280	GENERAL FUND TECHNOLOGY CAPITAL	\$774,207
621	3292	SURFACE WATER MANAGEMENT CONSTRUCTION	\$0
622	3421	MAJOR MAINTENANCE RESERVE	(\$128,599)
623	<u>3473</u>	<u>RADIO COMMUNICATION SERVICES CAPITAL</u>	
624	<u>IMPROVEMENT</u>		<u>\$650,000</u>
625	3581	PARKS CAPITAL	\$855,500
626	3611	WATER QUALITY CONSTRUCTION	\$40,135,961
627	3642	TRANSIT REVENUE FLEET CAPITAL	\$20,169,782
628	3781	DEPARTMENT OF INFORMATION TECHNOLOGY CAPITAL	\$752,665
629	3855	COUNTY ROAD MAJOR MAINTENANCE	\$0
630	3865	COUNTY ROAD CONSTRUCTION	\$1,250,000
631	3901	SOLID WASTE CONSTRUCTION	\$13,330,333
632	3910	LANDFILL RESERVE	\$91,053,395
633	3951	BUILDING REPAIR AND REPLACEMENT	\$4,233,876

634 TOTAL CAPITAL IMPROVEMENT PROGRAM \$173,447,701

635 SECTION 45. Attachment A to this ordinance hereby amends Attachment A to
636 Ordinance 19861, as amended, by adding thereto and inserting therein the projects listed
637 in Attachment A to this ordinance.

638 NEW SECTION. SECTION 46. There is hereby added to Ordinance 19861 a
639 new section to read as follows:

640 GENERAL FUND TRANSFER TO KING COUNTY INFORMATION

641 TECHNOLOGY - From the general fund there is hereby appropriated to:

642 General fund transfer to King County information technology \$590,000

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: A. 2025 Capital Improvement Program 5-20-2025

Attachment A: 2025 Capital Improvement Program 5/20/2025

2025 Omnibus - Executive Proposed

Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
3151 CONSERVATION FUTURES SUBFUND										
Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1134923	Conservation Futures 2020 Bond PROGRAMMATIC			\$0	\$0	\$1	\$0	\$0	\$0	\$1
1136838	Seattle - Bitter Lake Urban Village Park (Match Waiver) STANDALONE			(\$350,000)	\$0	\$0	\$0	\$0	\$0	(\$350,000)
1138968	Non Profit - Forterra Kenmore Arrowhead STANDALONE			(\$738,972)	\$0	\$0	\$0	\$0	\$0	(\$738,972)
1138972	Seattle - East Duwamish Greenbelt Brick Pits (Match Waiver) STANDALONE			(\$2,000,000)	\$0	\$0	\$0	\$0	\$0	(\$2,000,000)
1138974	Seattle - Lakeridge Park Addition STANDALONE			(\$275,000)	\$0	\$0	\$0	\$0	\$0	(\$275,000)
1138976	King County - Eastrail Woodinville STANDALONE			(\$50,000)	\$0	\$0	\$0	\$0	\$0	(\$50,000)
1138977	King County - Hollywood Hills STANDALONE			(\$400,000)	\$0	\$0	\$0	\$0	\$0	(\$400,000)
1139013	Conservation Futures 2022 Bond PROGRAMMATIC			\$0	\$0	(\$2)	\$0	\$0	\$0	(\$2)
1141757	Conservation Futures 2023 Bond PROGRAMMATIC			\$0	\$0	\$1	\$0	\$0	\$0	\$1
1143299	King County - Vashon Park District STANDALONE			(\$1,457)	\$0	\$0	\$0	\$0	\$0	(\$1,457)
1143684	Non Profit - GROW Ching Community Gardens (Match Waiver) STANDALONE			(\$19,169)	\$0	\$0	\$0	\$0	\$0	(\$19,169)
1143799	Conservation Futures Parent 2024 Bond PROGRAMMATIC			\$0	\$0	\$0	\$0	\$0	\$0	\$0
1145669	Bellevue - Bellevue Cougar Mountain Connections 25 STANDALONE			\$737,411	\$0	\$0	\$0	\$0	\$0	\$737,411
1145683	Covington - Jenkins Creek Open Space 25 STANDALONE			\$335,000	\$0	\$0	\$0	\$0	\$0	\$335,000

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2025 Omnibus - Executive Proposed

1145684	Duvall - Big Rock Park Expansion 25 STANDALONE			\$476,400	\$0	\$0	\$0	\$0	\$0	\$476,400
1145697	Shoreline - West Echo Lake (Match Waiver) STANDALONE			(\$52,064)	\$0	\$0	\$0	\$0	\$0	(\$52,064)
1145704	King County - Griffin Creek Natural Area 25 STANDALONE			\$79,328	\$0	\$0	\$0	\$0	\$0	\$79,328
1145732	King County - North Highline Urban Greenspace - Seola Pond (Match Waiver) STANDALONE			(\$380,000)	\$0	\$0	\$0	\$0	\$0	(\$380,000)
1145734	King County - Frog Holler Forest Additions 25 STANDALONE			\$85,321	\$0	\$0	\$0	\$0	\$0	\$85,321
1147973	Auburn - Downtown Auburn Open Space Acquisition 25 (Match Waiver) STANDALONE			\$17,000	\$0	\$0	\$0	\$0	\$0	\$17,000
1147976	Covington - Covington Community Park Expansion 25 STANDALONE			(\$99,000)	\$0	\$0	\$0	\$0	\$0	(\$99,000)
1147980	Seattle - Beacon Hill / Mount Baker Urban Villages 25 (Match Waiver) STANDALONE			\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000
1147981	Seattle - Westwood-Highland Park Gap Acquisition 25 (Match Waiver)			\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
1147991	Non Profit - Watershed Community Development Bend Live/Work 25 (Match Waiver)			\$830,000	\$0	\$0	\$0	\$0	\$0	\$830,000
1148040	Non Profit - Watershed Community Develop Bend Live/Work SSC (Match Waiver)			\$215,000	\$0	\$0	\$0	\$0	\$0	\$215,000
1149055	Duvall - Big Rock Park Expansion SSC STANDALONE			\$30,000	\$0	\$0	\$0	\$0	\$0	\$30,000
1149056	Non Profit - Forterra Rockdale 25 STANDALONE			\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
1149057	Non Profit - GROW Ching Community Gardens SSC (Match Waiver) STANDALONE			\$21,732	\$0	\$0	\$0	\$0	\$0	\$21,732
1149058	Seattle - Longfellow Creek SSC STANDALONE			\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000

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1149059	Seattle - Beacon Hill 17th/Walker SSC (Match Waiver) STANDALONE			\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
1149060	King County/Seattle North Highline Seola Pond 25 match waiver STANDALONE			\$380,000	\$0	\$0	\$0	\$0	\$0	\$380,000
1149110	King County - North Green River 25 STANDALONE			\$828,470	\$0	\$0	\$0	\$0	\$0	\$828,470
3151 - CONSERVATION FUTURES SUBFUND		Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0

3230 DEPARTMENT OF PUBLIC HEALTH TECHNOLOGY CAPITAL

Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1143842	Access and Outreach Database STANDALONE		✓	\$370,581	\$0	\$0	\$0	\$0	\$0	\$370,581
3230 - DEPARTMENT OF PUBLIC HEALTH		Total		\$370,581	\$0	\$0	\$0	\$0	\$0	\$370,581

3280 GENERAL TECHNOLOGY CAPITAL

Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1150119	KCSO CJIS Network Upgrade		✓	\$774,207	\$0	\$0	\$0	\$0	\$0	\$774,207
3280 - GENERAL TECHNOLOGY CAPITAL		Total		\$774,207	\$0	\$0	\$0	\$0	\$0	\$774,207

3292 SURFACE WATER MANAGEMENT CONSTRUCTION SUBFUND

Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1129385	Water Quality Program PROGRAMMATIC			(\$300,000)	\$0	\$0	\$0	\$0	\$0	(\$300,000)
1129388	Stormwater Asset Preservation Program PROGRAMMATIC			(\$400,000)	\$0	\$0	\$0	\$0	\$0	(\$400,000)
1129498	Water Quality May Creek Tributary 291A Cemetery STANDALONE			\$700,000	\$0	\$0	\$0	\$0	\$0	\$700,000
3292 - SURFACE WATER MANAGEMENT		Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0

3421 MAJOR MAINTENANCE RESERVE SUBFUND

Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1129784	KCSO Precinct 4 Electrical System Maintenance STANDALONE			(\$208,429)	\$0	\$0	\$0	\$0	\$0	(\$208,429)
1132356	DES FMD MMRF EARLINGTON BUILDING MEZZANINE FLOOR STRUCTURAL REPAIRS			(\$9,433)	\$0	\$0	\$0	\$0	\$0	(\$9,433)

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1137228	Earlington Building Security System STANDALONE			(\$13,554)	\$0	\$0	\$0	\$0	\$0	(\$13,554)
1139498	KCSO Precinct 3 HVAC Repairs STANDALONE			(\$266,555)	\$0	\$0	\$0	\$0	\$0	(\$266,555)
1139505	KCSO 4 Standby Power Generation STANDALONE			(\$234,342)	\$0	\$0	\$0	\$0	\$0	(\$234,342)
1140014	4th and Jefferson Building Sewer Line Repair STANDALONE			(\$269,177)	\$0	\$0	\$0	\$0	\$0	(\$269,177)
1147794	KCCF Bunk Modification (2nd & 3rd floors) STANDALONE			\$275,000	\$0	\$0	\$0	\$0	\$0	\$275,000
1150076	DES FMD MRJC TOP DECK RECOATING STANDALONE			\$597,891	\$0	\$0	\$0	\$0	\$0	\$597,891
3421 - MAJOR MAINTENANCE RESERVE		Total		(\$128,599)	\$0	\$0	\$0	\$0	\$0	(\$128,599)

3473 RADIO COMMUNICATION SERVICES CAPITAL IMPROVEMENT

Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1115922	KCIT Subscriber Radios Replacement STANDALONE			\$650,000	\$0	\$0	\$0	\$0	\$0	\$650,000
3473 - RADIO COMMUNICATION SERVICES		Total		\$650,000	\$0	\$0	\$0	\$0	\$0	\$650,000

3581 PARKS CAPITAL

Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1044600	East Lake Sammamish Trail (ELST) PROGRAMMATIC			(\$1,200,000)	\$0	\$0	\$0	\$0	\$0	(\$1,200,000)
1120085	Green to Cedar River Trail PROGRAMMATIC			\$1,200,000	\$0	\$0	\$0	\$0	\$0	\$1,200,000
1121451	Parks Griffin Creek Natural Area Acquisition STANDALONE			\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
1123927	Snoqualmie Valley Trail at Mill Site Acquisition STANDALONE			(\$50,605)	\$0	\$0	\$0	\$0	\$0	(\$50,605)
1136778	Green River Newaukum Creek Preservation STANDALONE			\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000
1139080	Wayne Golf Course Trail Connector Improvements STANDALONE			\$855,500	\$0	\$0	\$0	\$0	\$0	\$855,500

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2025 Omnibus - Executive Proposed

1139152	Calhoun Pit Acquisition STANDALONE			(\$149,870)	\$0	\$0	\$0	\$0	\$0	(\$149,870)
1139158	Eastrail Woodinville Bottleneck STANDALONE			(\$49,805)	\$0	\$0	\$0	\$0	\$0	(\$49,805)
1139159	Parks Hollywood Hills Forest and Pasture Acquisition STANDALONE			(\$377,320)	\$0	\$0	\$0	\$0	\$0	(\$377,320)
1139166	Frog Holler Forest Addition STANDALONE			\$425,403	\$0	\$0	\$0	\$0	\$0	\$425,403
1139168	PKS VASHON PRK DISTRICT SURPLS STANDALONE			(\$410)	\$0	\$0	\$0	\$0	\$0	(\$410)
1145903	Boxley Creek Natural Area Additions STANDALONE			(\$447,393)	\$0	\$0	\$0	\$0	\$0	(\$447,393)
3581 - PARKS CAPITAL		Total		\$855,500	\$0	\$0	\$0	\$0	\$0	\$855,500

3611 WATER QUALITY CONSTRUCTION

Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1113189	Process Replacement/Improvement PROGRAMMATIC			\$3,004,000	\$10,100,000	\$10,200,000	\$10,300,000	\$10,650,000	\$10,970,000	\$55,224,000
1113196	Mechanical Upgrade & Replacement PROGRAMMATIC			\$8,115,000	\$15,500,000	\$16,100,000	\$16,500,000	\$16,800,000	\$17,300,000	\$90,315,000
1113247	Pipeline Replacement PROGRAMMATIC			\$2,510,000	\$6,500,000	\$6,400,000	\$7,000,000	\$7,100,000	\$6,400,000	\$35,910,000
1129528	Small Generator Replacement at Various Offsite Stations PROGRAMMATIC			\$5,621,000	\$6,278,000	\$0	\$1,000,517	\$0	\$0	\$12,899,517
1134301	PIMS Replacement STANDALONE		✓	\$278,565	\$0	\$0	\$0	\$0	\$0	\$278,565
1139038	Medina PS MCC & Generator Replacement STANDALONE			\$1,023,775	\$0	\$0	\$0	\$0	\$0	\$1,023,775
1139064	South Plant Raw Sewage Pump #3 Replacement STANDALONE			\$5,221,000	\$5,109,465	\$0	\$0	\$0	\$0	\$10,330,465
1143860	Mouth of the Duwamish Facility Plan STANDALONE			\$13,363,521	\$0	\$0	\$0	\$0	\$0	\$13,363,521

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1148147	Chinook Research Vessel Replacement STANDALONE			\$999,100	\$0	\$0	\$0	\$0	\$0	\$999,100
3611 - WATER QUALITY CONSTRUCTION		Total		\$40,135,961	\$43,487,465	\$32,700,000	\$34,800,517	\$34,550,000	\$34,670,000	\$220,343,943
3642 TRANSIT REVENUE FLEET CAPITAL										
Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1150044	Operator Safety Partitions STANDALONE			\$20,169,782	\$0	\$0	\$0	\$0	\$0	\$20,169,782
3642 - TRANSIT REVENUE FLEET CAPITAL		Total		\$20,169,782	\$0	\$0	\$0	\$0	\$0	\$20,169,782
3781 ITS CAPITAL										
Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1047605	KCIT Infrastructure Equipment Replacement STANDALONE			\$752,665	\$0	\$0	\$0	\$0	\$0	\$752,665
3781 - ITS CAPITAL		Total		\$752,665	\$0	\$0	\$0	\$0	\$0	\$752,665
3855 COUNTY ROAD MAJOR MAINTENANCE										
Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1129585	Countywide Roadway Preservation Program PROGRAMMATIC			(\$650,000)	\$0	\$0	\$0	\$0	\$0	(\$650,000)
1139811	SE 384th Street and 172nd Avenue SE - Drainage Improvement Culvert STANDALONE			\$650,000	\$0	\$0	\$0	\$0	\$0	\$650,000
3855 - COUNTY ROAD MAJOR MAINTENANCE		Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3865 KING COUNTY ROAD CONSTRUCTION										
Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1148401	RSD CWP ROADS FACILITIES AND EV INFRASTRUCTURE PROGRAM RSD CWP ROADS FACILITIES			\$1,250,000	\$0	\$0	\$0	\$0	\$0	\$1,250,000
3865 - KING COUNTY ROAD CONSTRUCTION		Total		\$1,250,000	\$0	\$0	\$0	\$0	\$0	\$1,250,000
3901 SOLID WASTE CONSTRUCTION										
Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1138568	Transfer Station Major Asset Rehabilitation PROGRAMMATIC			\$13,330,333	\$0	\$0	\$0	\$0	\$0	\$13,330,333
3901 - SOLID WASTE CONSTRUCTION		Total		\$13,330,333	\$0	\$0	\$0	\$0	\$0	\$13,330,333
3910 LANDFILL RESERVE										
Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget

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1129848	Cedar Hills Regional Landfill Area 5 Top Deck Development and Closure STANDALONE			(\$11,000,000)	\$0	\$0	\$0	\$0	\$0	(\$11,000,000)
1138567	Cedar Hills Regional Landfill Major Asset Rehabilitation PROGRAMMATIC			\$8,758,789	\$0	\$0	\$1,153,918	\$0	\$0	\$9,912,707
1143774	Cedar Hills Regional Landfill Header Replacement STANDALONE			\$6,346,687	\$0	\$0	\$0	\$0	\$0	\$6,346,687
1144290	Cedar Hills Regional Landfill Area 6 Top Deck STANDALONE			(\$11,000,000)	\$0	\$0	\$0	\$0	\$0	(\$11,000,000)
1150063	Solid Waste Division Cedar Hills Area 5/6 Top Deck Development STANDALONE			\$43,234,348	\$0	\$0	\$0	\$0	\$0	\$43,234,348
1150064	Solid Waste Division Cedar Hills Area 5/6 Top Deck Closure STANDALONE			\$54,713,571	\$0	\$0	\$0	\$0	\$0	\$54,713,571
3910 - LANDFILL RESERVE		Total		\$91,053,395	\$0	\$0	\$1,153,918	\$0	\$0	\$92,207,313
3951 BUILDING REPAIR AND REPLACEMENT SUBFUND										
Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1139525	Downtown Public Health Buprenorphine Program STANDALONE			(\$181,492)	\$0	\$0	\$0	\$0	\$0	(\$181,492)
1150088	DES FMD SODO HUB SECURITY CAMERA UPGRADE STANDALONE			\$15,368	\$0	\$0	\$0	\$0	\$0	\$15,368
1150089	DES FMD DAJD DAS UPGRADE-PHASE 1 STANDALONE			\$4,400,000	\$0	\$0	\$0	\$0	\$0	\$4,400,000
3951 - BUILDING REPAIR AND REPLACEMENT		Total		\$4,233,876	\$0	\$0	\$0	\$0	\$0	\$4,233,876
Grand Total				\$173,447,701	\$43,487,465	\$32,700,000	\$35,954,435	\$34,550,000	\$34,670,000	\$354,809,601



King County

Shannon Braddock
King County Executive

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May 29, 2025

The Honorable Girmay Zahilay
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Zahilay:

This letter transmits proposed legislation for the 2025 omnibus supplemental budget Ordinance. The proposed legislation includes changes to operating and capital improvement program (CIP) budgets, as well as updates to Proviso and expenditure restriction language of Ordinance 19861. Details are provided in the narrative table included in this package.

The proposed budget supplemental totals approximately \$416.8 million in operating and capital investments. It also includes expenditure adjustments reflecting higher than anticipated costs and technical changes. The proposed increase of County General Fund expenditures is approximately \$103 million, of which \$10.4 million is revenue backed. The balance, approximately \$92.6 million, is funded through General Fund fund balance. The total expenditure increase proposed for funds other than the County's General Fund is approximately \$140.2 million. The total proposed capital budget appropriation is \$173.4 million.

The proposed Ordinance includes expenditures in the following areas:

- \$26.1 million to improve safety and security for King County Metro operators and passengers. With this appropriation, Metro will increase Transit Security Officer (TSO) staffing, providing for additional support during night owl service hours between midnight and 5 a.m. This ensures 24/7 coverage at all Metro bases and bolsters TSO presence in transit zones and on coaches in downtown Seattle in partnership with the Seattle Department of Transportation. In addition, Metro will increase Metro Transit Police staffing through the King County Sheriff's Office to

support Metro's "Care and Presence" security model by increasing the frequency of officers stepping onto coaches to assess and deter potential issues. Metro will also install larger, stronger, and lockable bus operator safety partitions on all Metro coaches.

- \$25.9 million to ensure that legal system agencies remain within their 2025 appropriation authority. Inflationary pressures largely outside of the agencies' control are resulting in higher than expected costs, including increased overtime costs for the King County Sheriff's Office (KCSO) and the Department of Adult and Juvenile Detention (DAJD); increased costs for assigned counsel, expert services, and contracted attorneys for the Department of Public Defense (DPD); increased costs for agency temporary nursing staffing for JHS; and inflationary cost increases for supplies. This funding also supports filling vacancies in DAJD, DPD, and KCSO. \$5 million to stabilize, replace, and enhance the radio transmission system that allows radio communication within three County-owned buildings where the Department of Adult and Juvenile Detention (DAJD) operates.
- \$1.1 million to expand overdose prevention initiatives, including naloxone vending machines and other community-based distribution methods using Crisis Care Center Initiative funds.

Transmitted simultaneously and separately to this proposed 2025 omnibus supplemental is a companion proposed Ordinance which would amend Ordinance 19862, limited tax general obligation bond projects.

I certify that funds are available.

Thank you for your consideration of this legislation. If your staff have questions, please contact Dwight Dively, Director, Office of Performance, Strategy and Budget, at 206-263-9687.

Sincerely,



for

Shannon Braddock
King County Executive

Enclosures

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff, King County Council
 Melani Hay, Clerk of the Council
Karan Gill, Director, Deputy Executive, Chief of Staff, Office of the Executive
Stephanie Pure, Council Relations Director, Office of the Executive
Dwight Dively, Director, Office of Performance, Strategy and Budget

2025 Omnibus Financial Plan
Behavioral Health Fund / Fund 1120

Category	2023-2024 Actuals	2025 Adopted	2025 Current Budget	2025 Annual-to-Date Actuals	2025 Estimated	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	113,978,516	151,298,289	93,853,152	93,853,152	93,853,152	74,453,609	88,104,938
Revenues							
Medicaid	484,795,211	252,477,441	252,477,441	65,796,996	285,379,356	534,042,460	563,763,493
Medicaid Leakage	93,320,234	48,633,467	48,633,467	14,668,229	50,819,462	102,869,929	108,594,943
Medicaid Admin		8,500,513	8,500,513		8,500,513	17,980,358	18,981,018
Non-Medicaid State (BHASO)	131,197,581	73,759,450	73,759,450	21,776,669	74,474,527	156,016,624	164,699,408
Federal	27,929,382	13,634,362	13,634,362	(136,162)	10,486,133	28,640,753	30,073,079
COVID	20,422,003	5,500,000	5,500,000	-	5,500,000	-	-
Other State	18,366,147	3,117,905	3,117,905	611,218	3,891,017	6,595,020	6,962,052
Intergovernmental/Local	9,129,723	4,764,555	4,764,555	674,216	5,133,148	10,078,028	10,638,900
Property Taxes	7,749,066	3,999,497	3,999,497	222,868	4,102,348	8,263,285	8,621,069
General Fund	1,038,180	237,824	237,824	-	237,824	-	-
MIDD Transfer	15,500,000	7,962,350	7,962,350	-	7,962,350	16,848,333	17,791,839
HTH Transfer	12,487,614	6,701,036	6,701,036	1,825,444	6,701,036	13,511,233	15,573,031
CCC Transfer	4,042,885	-	-	-	-	-	-
Other Interfund Transfers	17,609,511	7,095,474	7,095,474	599,204	6,673,540	16,012,620	17,898,540
Other	93,383	431,514	431,514	-	431,514	1,522,631	1,610,031
Total Revenues	\$ 843,680,921	\$ 436,815,388	\$ 436,815,388	\$ 106,038,681	\$ 470,292,768	\$ 912,381,272	\$ 965,207,401
Expenditures							
Salaries/Wages and Benefits	51,269,818	33,604,058	33,604,058	7,339,965	30,072,171	70,225,166	73,974,698
Supplies	277,382	100,130	100,130	19,487	101,370	211,795	223,582
Other Operating Charges	656,278,253	310,260,671	310,260,671	83,812,400	376,972,965	656,054,343	692,565,696
COVID Expenditures	20,920,830	5,500,000	5,500,000	275,546	5,500,000	-	-
MCO-Medicaid Leakage Expense	93,320,234	48,633,467	48,633,467	14,668,229	50,819,462	102,869,929	108,594,943
Contributions Other	8,800	-	-	11,920	-	-	-
Intragovernmental Services	13,737,496	12,269,199	12,269,199	1,840,469	8,679,985	27,944,328	31,677,690
Intragovernmental Contributions	31,159,820	18,355,874	18,355,874	2,064,868	17,546,356	41,424,383	46,303,228
Total Expenditures	\$ 866,972,633	\$ 428,723,399	\$ 428,723,399	\$ 110,032,883	\$ 489,692,310	\$ 898,729,943	\$ 953,339,836
Estimated Underexpenditures							
Other Fund Transactions							
* Adj Beg. Balance (recognized gain / loss)	3,166,348			(86,648)			
Total Other Fund Transactions	\$ 3,166,348	\$ -	\$ -	\$ (86,648)	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 93,853,152	\$ 159,390,278	\$ 101,945,141	\$ 89,772,301	\$ 74,453,609	\$ 88,104,938	\$ 99,972,503
Reserves							
Operating Reserve: Non-Medicaid	5,370,943						
Medicaid Contract Termination Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Medical Loss Ratio Reserve	9,000,000						
Medicaid 60-Day Reserve	28,000,000						
Assigned-Rainy Day Reserve	3,281,767		2,052,245	2,052,245	2,259,671	2,204,914	2,319,338
2022 Gain Share Repayment Reserve		59,000,000	59,000,000	59,000,000			
2021 Gain Share Repayment Reserve	38,000,000	38,000,000	38,000,000	38,000,000			
Total Reserves	\$ 93,652,710	\$ 107,000,000	\$ 109,052,245	\$ 109,052,245	\$ 12,259,671	\$ 12,204,914	\$ 12,319,338
Reserve Shortfall	-	-	7,107,105	19,279,944	-	-	-
Ending Undesignated Fund Balance	\$ 200,441	\$ 52,390,278	\$ -	\$ -	\$ 62,193,938	\$ 75,900,025	\$ 87,653,165

Financial Plan Notes

All financial plans have the following assumptions, unless otherwise noted in below rows.

2025 Adopted Budget ties to PBCS (including annual budget and Agency request supplemental)

Outyear **projections columns** : revenue and expenditure inflation assumptions are consistent with figures provided by PSB's BFPA guidance, unless otherwise stated.

Revenue Notes:

Out year projections for Property Tax and Health through Housing transfers reflect the most recent OEFA forecast.

Outyear projections for MIDD Transfers assume inflationary increases consistent with the MIDD financial plan.

COVID revenues will be fully spent by the end of 2025.

General Fund revenue in 2025 is related to the Community Prevention and Wellness Initiative proposal (DS_001) recommended by the Cannabis Interdepartmental Team and the Path with Art therapeutic arts program.

Expenditure Notes:

COVID expenditures will be complete by the end of 2025.

The 2025 omnibus supplemental proposed amount matches the Adopted 2023-2024 4th Omnibus gainshare amount, minus the gainshare payments completed during 2024.

Reserve Notes:

Non-Medicaid Operating Reserve reflects one-time funding provided by the state to hold in reserve for Non-Medicaid expenditures. This reserve will be spent and no longer be in effect in 2025 and beyond.

Medicaid Contract Termination Reserve will pay any incurred but not yet paid costs for Medicaid contracts if a contract were to end, as services rendered during the contract period may not be invoiced immediately.

Medical Loss Ratio Reserve and the Medicaid 60-day Reserve will shift to the MCOs to manage this risk after Medicaid Gain Share Repayments are made, as DCHS will no longer hold the fund balance associated with these risks.

This fund carries a 60-day Rainy Day Reserve for expenditures not backed by federal or state funds or interfund transfers.

Gain Share Repayment reserves reflect likely transfers of fund balance back to the Health Care Authority (HCA) to reflect the difference between revenues and expenditures over the last few years. DCHS, HCA, and the MCOs are currently negotiating exact amounts and timing.

Last Updated 5/13/25 by Ryan Black using data from PBCS and BFPA assumptions.

Financial Plan 2025 Omnibus
Employment Education Resources / 000002240

Category	2023-2024 Actuals	2025 Adopted	2025 Current Budget	2025 Annual-to-Date Actuals	2025 Estimated	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	1,202,384	1,550,591	2,714,362	2,714,362	2,714,362	2,261,943	1,638,599
Revenues							
Federal	3,015,127	2,124,367	2,124,367	55,197	2,922,180	1,500,000	1,500,000
State	4,088,005	2,056,911	2,056,911	1,454,996	2,445,159	5,609,000	5,987,047
General Fund	15,937,434	8,277,000	8,277,000	2,069,250	8,277,000	16,677,000	17,801,030
Intragovernmental (Tukwila)	1,408,778	772,004	772,004	69,329	772,004	1,751,368	1,977,995
Interfund Transfers	85,026	226,000	226,000	-	-	-	-
Interfund Transfers BSK	18,117,936	9,856,707	9,856,707	2,540,388	10,161,550	20,686,853	22,081,147
Other	10,012	-	-	-	-	-	-
Total Revenues	\$ 42,662,318	\$ 23,312,989	\$ 23,312,989	\$ 6,189,160	\$ 24,577,893	\$ 46,224,221	\$ 49,347,219
Expenditures							
Salaries, Wages & Benefits	14,983,174	8,445,622	8,445,622	2,445,833	8,768,581	17,835,201	18,800,086
Supplies	412,860	276,586	276,586	73,111	205,534	440,706	470,410
Other Operating Charges	22,510,805	12,267,633	12,267,633	2,257,175	14,290,252	24,760,330	26,429,176
Central Rates	2,787,709	1,538,050	1,538,050	637,007	1,538,050	3,351,156	3,784,796
Interfund Transfers	455,792	227,896	227,896	125,192	227,896	460,172	519,718
Total Expenditures	\$ 41,150,341	\$ 22,755,787	\$ 22,755,787	\$ 5,538,317	\$ 25,030,312	\$ 46,847,565	\$ 50,004,186
Estimated Underexpenditures							
Other Fund Transactions							
Total Other Fund Transactions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 2,714,362	\$ 2,107,793	\$ 3,271,564	\$ 3,365,205	\$ 2,261,943	\$ 1,638,599	\$ 981,632
Reserves							
Expenditure Reserve (s)	-	-	-	-	-	-	-
Rainy Day Reserve (60 days)	576,160	361,322	361,322	361,322	541,789	779,483	831,946
Total Reserves	\$ 576,160	\$ 361,322	\$ 361,322	\$ 361,322	\$ 541,789	\$ 779,483	\$ 831,946
Reserve Shortfall	-	-	-	-	-	-	-
Ending Undesignated Fund Balance	\$ 2,138,202	\$ 1,746,471	\$ 2,910,242	\$ 3,003,883	\$ 1,720,154	\$ 859,115	\$ 149,686

Financial Plan Notes

- All financial plans have the following assumptions, unless otherwise noted in below rows:
- 2025 starting fund balance from FBOD's preliminary 2024 year-end fund balance calculations.
- 2025 Adopted Budget ties to PBCS.
- Outyear projections columns: revenue and expenditure inflation assumptions are consistent with figures provided by PSB's BFPA guidance.

Revenue Notes:

- Expectations for federal revenue reduced in out years due to uncertainty.

Expenditure Notes:

- 2025 Estimated includes Adopted Budget plus proposed supplemental items.

Reserve Notes:

- Rainy Day reserve is 60 days of total expenditures excluding general fund and interfund transfers.

Last Updated 5/7/2025 by Ta-Win Fernandes using data from PBCS and BFPA assumptions.

Financial Plan 2025 Omnibus
Historic Preservation and Historical Programs Fund and Historic Resources Mitigation Subfund / 1471 + 1472

Category	2023-2024 Actuals	2025 Adopted	2025 Current Budget	2025 Annual-to- Date Actuals	2025 Estimated	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	333,947	32,342	52,735	52,735	52,735	200,829	60,292
Revenues							
Grants	30,998	5,000	5,000	-	5,000	10,000	10,000
Interlocal Revenues	30,646	7,000	7,000	818	7,000	15,000	15,000
Document Recording Fee Surcharge	508,809	246,533	246,533	61,343	279,799	600,327	649,008
Interest and Misc Revenues	16,083	15,000	15,000	1,822	7,288	8,000	8,000
General Fund Support	365,126	213,086	213,086	215,000	215,000	-	-
Overhead Cost Recovery Rate					416,000	868,858	916,471
Cultural Resource Mitigation Payments	100,000						
Total Revenues	\$ 1,051,662	\$ 486,619	\$ 486,619	\$ 278,983	\$ 930,087	\$ 1,502,185	\$ 1,598,479
Expenditures							
Salaries and Benefits	1,400,942	732,878	732,878	168,886	764,257	1,530,689	1,614,571
Supplies and Services	62,720	22,350	22,350	3,831	22,350	44,700	44,700
Central Rates	171,008	30,101	30,101	6,307	30,101	67,333	76,328
Overhead Offsets	(308,017)	(267,145)	(267,145)	(34,714)	(34,714)		
Cultural Resource Mitigation Projects	15,933					87,772	
Total Expenditures	\$ 1,342,586	\$ 518,184	\$ 518,184	\$ 144,309	\$ 781,994	\$ 1,642,722	\$ 1,735,599
Estimated Underexpenditures							
Other Fund Transactions							
Fund Balance Reconciliation	9,713						
Total Other Fund Transactions	\$ 9,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 52,735	\$ 777	\$ 21,170	\$ 187,410	\$ 200,829	\$ 60,292	\$ (76,828)
Reserves							
Expenditure Reserve (s)							
Rainy Day Reserve	55,277	43,182	43,182	43,182	65,166	68,447	72,317
Mitigation Reserves Subfund Balance	86,292	86,292	86,292	86,903	87,772	-	-
Total Reserves	\$ 141,569	\$ 129,474	\$ 129,474	\$ 130,085	\$ 152,938	\$ 68,447	\$ 72,317
Reserve Shortfall	88,834	128,697	108,304	-	-	8,155	149,145
Ending Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ 57,325	\$ 47,891	\$ -	\$ -

Financial Plan Notes

- All financial plans have the following assumptions, unless otherwise noted in below rows:
- 2025 Adopted Budget ties to PBCS.
- Outyear projections columns: revenue and expenditure inflation assumptions are consistent with figures provided by PSB's BFPA guidance.

Revenue Notes:

- Document recording fee revenue reflects a \$1 per recorded document fee based on the OEFA forecast for the number of recorded documents subject to the historic doc preservation fee.
- Other Misc Operating Revenue is primarily fees paid to reimburse the fund for expenses tied to permit reviews for the Department of Local Services.
- Cultural resources mitigation payments are made by County agencies and private entities when a project impacts a cultural resource in the unincorporated area or on King County property.
- Overhead Cost Recovery Rate is a proposed charge out to King County agencies for HPP staff and overhead costs incurred reviewing and supporting projects. It would replace the Overhead Offset negative expenditures.

Expenditure Notes:

- Wage and benefit inflation is compounded annually using the Budget and Financial Planning Assumptions.
- Cultural Resource Mitigation projects are special projects to preserve cultural resources funded by mitigation payments.

Reserve Notes:

- The mitigation subfund is reserved for expenditures to mitigate the impacts of projects that affect cultural resources and is not available for other types of expenditures.
- The rainy day reserve is set at 30 days of operating expenditures which excludes expenditures on mitigation projects.

Last Updated May 8, 2025 by Nathaniel Bennett using data from PBCS and BFPA assumptions.

Financial Plan 2025 Omnibus
LANDFILL RESERVE FUND / 000003910

Capital Improvement Program (CIP) Budget

	2023-2024 Ending Balance (Biennium ITD Balance)	2025 Budget (including adopted, revised, & proposed supplementals)	2025 Total (Balance + Budget)	2026-2027 Projected	2028-2029 Projected
Capital Budget Revenue Sources:					
Revenue Backing from Fund Balance	61,292,356	-	61,292,356	-	-
Bond Proceeds	121,202,496	219,320,461	340,522,957	-	-
Transfer From Solid Waste Opt. Fund 4040 ¹	-	13,886,900	13,886,900	24,647,378	-
Total Capital Revenue	\$ 182,494,852	\$ 233,207,361	\$ 415,702,213	\$ 24,647,378	\$ -
Capital Appropriation:					
Area 9 New Area Development	24,929,246	76,386,059	101,315,305	-	-
Area 8 Closure	23,336,928	27,381,915	50,718,843	-	-
Vertical Wells	2,958,892	21,915,390	24,874,282	-	-
Area 5 Top Deck	13,212,813	(11,000,000)	2,212,813	-	-
Area 6 Top Deck	12,799,344	(11,000,000)	1,799,344	-	-
Area 5/6 Top Deck Development	-	43,234,348	43,234,348	-	-
Area 5/6 Top Deck Closure	-	54,713,571	54,713,571	-	-
Other Projects	105,257,629	31,576,078	136,833,707	24,647,378	-
Total Capital Appropriation	\$ 182,494,852	\$ 233,207,361	\$ 415,702,213	\$ 24,647,378	\$ -

CIP Fund Financial Position

	2023-2024 Actuals	2025 Estimated at Budget Adoption	2025 Biennial-to-Date Actuals	2025 Estimated	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	\$ 45,154,445	\$ 65,631,611	\$ 61,292,356	\$ 61,292,356	\$ 52,908,678	\$ 37,231,621
Capital Funding Sources						
Bond Proceeds	6,904,532	\$ 83,903,758	681,637	55,228,374	157,655,319	68,014,204
Transfer From Solid Waste Opt. Fund 4040 ¹	27,610,452	\$ 13,886,900	-	13,886,900	33,653,269	39,617,469
Interest & Other Revenue	4,127,813	\$ 2,206,201	671,070	1,760,503	4,011,200	2,412,758
Total Capital Revenue	\$ 38,642,797	\$ 99,996,859	\$ 1,352,707	\$ 70,875,777	\$ 195,319,788	\$ 110,044,431
Capital Expenditures						
Area 9 New Area Development	2,901,759	\$ 29,447,049	28,178	27,208,176	57,050,774	17,538,236
Area 8 Closure	2,588,880	\$ 17,788,931	(98,469)	20,714,986	30,756,992	2,139,655
Vertical Wells	7,430,071	\$ 16,968,754	17,121	1,295,769	19,961,772	3,389,336
Area 5 Top Deck	890,892	\$ 3,066,350	45,297	3,534,809	-	-
Area 6 Top Deck	835,906	\$ 3,066,350	48,151	3,500,324	-	-
Area 5/6 Top Deck Development	-	-	-	6,537,693	25,438,349	11,258,304
Area 5/6 Top Deck Closure	-	-	-	497,440	2,944,785	25,906,373
Other Projects	8,375,691	\$ 33,593,944	915,352	15,970,258	74,844,171	13,460,618
Total Capital Expenditures	\$ 23,023,200	\$ 103,931,378	\$ 955,630	\$ 79,259,456	\$ 210,996,844	\$ 73,692,521
Other Fund Transactions						
Fund Balance Adjustment	518,314	-	-	-	-	-
Total Other Fund Transactions	\$ 518,314	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 61,292,356	\$ 61,697,091	\$ 61,689,433	\$ 52,908,678	\$ 37,231,621	\$ 73,583,531
Reserves						
Post Closure Care	51,700,224	53,122,348	51,700,224	51,700,224	51,700,224	72,314,352
Total Reserves	\$ 51,700,224	\$ 53,122,348	\$ 51,700,224	\$ 51,700,224	\$ 51,700,224	\$ 72,314,352
Projected Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	\$ 9,592,133	\$ 8,574,743	\$ 9,989,210	\$ 1,208,454	\$ -	\$ 1,269,180

Financial Plan Notes

CIP Budget:

All financial plans have the following assumptions, unless otherwise noted in below rows.

Revenue Notes:

1) Solid Waste contribution based on \$16.96/ton for 2025 (\$13,886,900).

Appropriation Notes:

CIP Fund Financial Position:

All financial plans have the following assumptions, unless otherwise noted in below rows.

Revenues Notes:

1) Solid Waste contribution based on \$16.96/ton for 2025 (\$13,886,900);

Expenditure Notes:

Reserve Notes:

- Post Closure Care reserve is dedicated to future projects connected to care of the Cedar Hills Regional Landfill after closure.

Last Updated on May 7, 2025 by Selina Yang using data from EBS report PA-103 & GL33.

Financial Plan 2025 Omnibus
Water Quality Operating Fund / 4611

Category	2023-2024 Actuals	2025 Adopted	2025 Current Budget	2025 Annual-to- Date Actuals	2025 Estimated	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	145,338,881	109,833,692	182,815,209	182,815,209	182,815,209	181,881,555	181,881,555
Revenues							
Sewer Rate	994,059,667	548,474,514	548,474,514	136,109,094	546,111,691	1,264,062,747	1,632,872,231
Capacity Charge	192,328,971	102,368,856	102,368,856	25,027,521	98,148,882	216,627,689	239,045,791
Industrial Waste	20,975,254	10,880,321	10,880,321	2,390,445	10,257,956	20,672,511	20,883,403
Resource Recovery	21,537,552	7,371,929	7,371,929	492,426	9,508,865	13,365,785	14,179,761
Other Operating Revenues	8,400,171	3,405,156	3,405,156	611,455	3,578,294	7,212,388	7,290,557
Investment Income	42,223,530	20,153,469	20,153,469	4,793,505	25,484,213	36,973,422	37,896,811
Total Revenues	\$ 1,279,525,145	\$ 692,654,245	\$ 692,654,245	\$ 169,424,447	\$ 693,089,900	\$ 1,558,914,542	\$ 1,952,168,554
Expenditures							
Salaries and Benefits	144,444,270	88,198,648	88,198,648	16,992,622	90,463,859	222,238,838	254,570,570
Supplies	59,850,123	30,479,145	30,479,145	7,075,976	32,909,113	55,047,053	60,669,893
Services	93,803,056	50,224,824	50,224,824	9,466,205	52,370,820	111,951,479	123,386,883
Intragovernmental & Other	88,387,542	51,029,627	51,029,627	16,036,182	51,029,627	119,374,236	135,673,829
WaterWorks Grants and Carbon & Energy Program	6,586,078	3,913,447	3,913,447	471,561	9,923,985	8,347,417	9,200,073
Total Expenditures	\$ 393,071,069	\$ 223,845,691	\$ 223,845,691	\$ 50,042,547	\$ 236,697,404	\$ 516,959,024	\$ 583,501,247
Estimated Underexpenditures							
Other Fund Transactions							
Transfers to Capital (3611 & 3612)	(153,000,000)	-	-	-	-	(330,216,761)	(473,249,495)
Transfers to Debt Service (8920)	(531,747,399)	(270,030,119)	(270,030,119)	(78,575,647)	(282,363,529)	(707,732,922)	(892,186,932)
Transfers for Debt Defeasance (8920)	(158,896,830)	(197,241,673)	(197,241,673)	(81,173,544)	(270,185,577)	-	-
Transfer to Operating Liquidity Reserve	(4,329,293)	(2,470,416)	(2,470,416)	(2,939,570)	(2,939,570)	(4,005,834)	(3,230,879)
Working Capital Adjustment	(1,004,226)						
Total Other Fund Transactions	\$ (848,977,748)	\$ (469,742,208)	\$ (469,742,208)	\$ (162,688,761)	\$ (555,488,676)	\$ (1,041,955,518)	\$ (1,368,667,307)
Ending Fund Balance	\$ 182,815,209	\$ 108,900,038	\$ 181,881,555	\$ 139,508,348	\$ 83,719,029	\$ 181,881,555	\$ 181,881,555
Reserves							
Rate Stabilization Reserve	46,250,000	46,250,000	46,250,000	46,250,000	46,250,000	46,250,000	46,250,000
Operating Liquidity Reserve	20,547,782	19,820,787	22,760,570	22,760,570	22,760,570	26,766,405	29,997,284
Total Reserves	\$ 66,797,782	\$ 66,070,787	\$ 69,010,570	\$ 69,010,570	\$ 69,010,570	\$ 73,016,405	\$ 76,247,284
Reserve Shortfall	-	-	-	-	-	-	-
Ending Undesignated Fund Balance	\$ 116,017,427	\$ 42,829,251	\$ 112,870,985	\$ 70,497,778	\$ 14,708,459	\$ 108,865,151	\$ 105,634,271

Financial Plan Notes

All financial plans have the following assumptions, unless otherwise noted in below rows:

- 2025 Adopted Budget ties to PBCS.
- Outyear projections: revenue and expenditure inflation assumptions are consistent with the "Proposed 2026 Sewer Rate and Capacity Charge and 2026-2045 Financial Forecast" transmitted to Council in April 2025.
- Working capital adjustment accounts for mixture of accruals and cash-based transactions to reconcile to FBOD's 2024 ending fund balance.

Revenue Notes:

- Outyear revenue projections are consistent with the Proposed 2026 Sewer Rate and Capacity Charge and 2026-2045 Financial Forecast.

Expenditure Notes:

- 2025 Actuals are through March.
- 2025 Estimated is reflective of the proposed supplemental requests plus the 2025 Adopted budget.
- Outyear expenditure projections are consistent with the Proposed 2026 Sewer Rate and Capacity Charge and 2026-2045 Financial Forecast.

Reserve Notes:

- Rate Stabilization Reserve as established by *Ordinance 12314, Section 13.D.* allows WTD to include withdrawals from the fund as Revenues under its Bond Ordinance. Balance is available to reduce projected rate increases in the future.
- Operating Liquidity Reserve equals 10% of previous year's operating expenses as authorized by Motion 13798 on 12/11/12.

Last Updated 05/15/2025 by Luke Slaughterbeck using data from PBCS and Proposed 2026 Sewer Rate and Capacity Charge and 2026-2045 Financial Forecast.

**Financial Plan 2025 Omnibus
DPH Technology Capital Fund/ F3230**

Capital Improvement Program (CIP) Budget

	2023-2024 Ending Balance (Biennium ITD Balance)	2025 Budget (including adopted, revised, & proposed supplementals)	2025 Total (Balance + Budget)	2026-2027 Projected	2028-2029 Projected
Capital Budget Revenue Sources:					
Transfer from EHS F1850 - Project 1134305 (Envision)	973,203	1,409,559	2,382,762		-
Transfer from General Fund - Project 1143496 (Dental Digitization)	-	-	-		
Transfer from PH Fund F1800 - Project 1143842 (Access & Outreach)	512,557	370,581	883,138		
Transfer from PH Fund F1800 - Project 1143728 (School Based Health Center)	128,712		128,712		
Transfer from PH Fund F1800 - Project 1143732 (Sexual Partner Notification)	105,939		105,939		
Transfer from EMS F1190 - Project 1143729 (Strive)	935,879	-	935,879		-
Transfer from PH Fund F1800 - Project 1147237 (EHS Lead Monitoring)	348,507	-	348,507		-
Transfer from PH Fund F1800 - Project 1147230 (Infolinx Upgrade)	484,642	-	484,642		-
	-	-	-		-
Total Capital Revenue	\$ 3,489,438	\$ 1,780,140	\$ 5,269,578	\$ -	\$ -
Capital Appropriation:					
Project 1134305 (Envision)	973,203	1,409,559	2,382,762		
Project 1143496 (Dental Digitization)	-	-	-		
Project 1143842 (Access & Outreach)	512,557	370,581	883,138		
Project 1143728 (School Based Health Center)	128,712		128,712		
Project 1143732 (Sexual Partner Notification)	105,939		105,939		
Project 1143729 (Strive)	935,879		935,879		
Project 1147237 (EHS Lead)	348,507		348,507		
Project 1147230 (Infolinx)	484,642		484,642		
Total Capital Appropriation	\$ 3,489,438	\$ 1,780,140	\$ 5,269,578	\$ -	\$ -

CIP Fund Financial Position

	2023-2024 Actuals	2025 Estimated at Budget Adoption	2025 Biennial-to-Date Actuals	2025 Estimated	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	\$ 2,117,349	\$ 2,287,224	\$ 3,489,438	\$ 3,489,438	\$ 0	\$ 0
Capital Funding Sources						
Transfer from EHS F1850 - Project 1134305 (Envision)	-	1,409,559	-	1,409,559		
Transfer from General Fund - Project 1143496 (Dental Digitization)	-	-	-			
Transfer from PH Fund F1800 - Project 1143842 (Access & Outreach)	750,750	-	-	370,581		
Transfer from PH Fund F1800 - Project 1143728 (School Based Health Center)	498,939	-	-			
Transfer from PH Fund F1800 - Project 1143732 (Sexual Partner Notification)	406,399	-	-			
Transfer from EMS F1190 - Project 1143729 (Strive)	2,239,941	-	-			
Transfer from PH Fund F1800 - Project 1147237 (EHS Lead Monitoring)	405,347	-	-			
Transfer from PH Fund F1800 - Project 1147230 (Infolinx Upgrade)	616,347	-	-			
Total Capital Revenue	\$ 4,917,723	\$ 1,409,559	\$ -	\$ 1,780,140	\$ -	\$ -
Capital Expenditures						
Transfer from EHS F1850 - Project 1134305 (Envision)	929,858	1,409,559	267,779	2,382,762		
Transfer from General Fund - Project 1143496 (Dental Digitization)	214,288	-	-			
Transfer from PH Fund F1800 - Project 1143842 (Access & Outreach)	238,194	483,169	28,840	883,138		
Transfer from PH Fund F1800 - Project 1143728 (School Based Health Center)	370,227	115,526	20,200	128,711		
Transfer from PH Fund F1800 - Project 1143732 (Sexual Partner Notification)	300,460	-	132,745	105,939		-
Transfer from EMS F1190 - Project 1143729 (Strive)	1,304,062	1,200,000	195,050	935,879		
Transfer from PH Fund F1800 - Project 1147237 (EHS Lead Monitoring)	56,840	258,009	15,166	348,507		
Transfer from PH Fund F1800 - Project 1147230 (Infolinx Upgrade)	131,705	230,520	23,357	484,642		
Total Capital Expenditures	\$ 3,545,634	\$ 3,696,783	\$ 683,137	\$ 5,269,578	\$ -	\$ -
Other Fund Transactions						
		-				
Total Other Fund Transactions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 3,489,438	\$ -	\$ 2,806,301	\$ 0	\$ 0	\$ 0
Reserves						
Dedicated to budgeted projects						
Available for future projects						
Total Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	\$ 3,489,438	\$ -	\$ 2,806,301	\$ 0	\$ 0	\$ 0

Financial Plan Notes

CIP Budget:

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- 2023-2024 Ending Balance (Biennium ITD Balance) column reflects the best estimate of the inception to date budget balances and actual balances after 2024 is closed.
- 2025 Budget is consistent with PIC for 2025 Final Adopted Budget and proposed supplementals.
- 2025 Total (Balance + Budget) column sums the 2023-2024 Ending Balance (Year End ITD Balance) column and the 2025 Budget column.
- Outyear projections should be consistent with PIC.

Revenue Notes:

- Revenues shown are equal to the budgeted expenditure. Revenues include new revenue and fund balance designated to projects.

Appropriation Notes:

CIP Fund Financial Position:

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- Budget to Date (BTD) Actuals (expenditures and revenue) reflect EBS totals for budgetary accounts as of the most recent closed month.
- 2025 Estimated column reflects the best estimate for the biennium based on actuals and should be informed by the fund's spending plan.
- Outyear revenue projections and expenditure estimates are based on the most recent projections and reflect current project plans. Outyear allocations for projects not requesting budget in this cycle are included in the financial plan.

Revenues Notes:

Expenditure Notes:

Reserve Notes:

- Reserves dedicated to budgeted projects is for projects that are already appropriated. This fund balance cannot be used for other projects without disappropriating projects or creating a shortfall in the fund.
- Reserves available for future projects are funds that are not dedicated to projects that are already appropriated.

Last Updated 4/24/25 by June Zhai using data from Oracle EBS GL10, PA103, PA118, and GL30.

Financial Plan 2025 Omnibus
Radio Communication Services CIP/ 000003473

Capital Improvement Program (CIP) Budget

	2023-2024 Ending Balance (Biennium ITD Balance)	2025 Budget (including adopted, revised, & proposed supplementals)	2025 Total (Balance + Budget)	2026-2027 Projected	2028-2029 Projected
Capital Budget Revenue Sources:					
Revenue Backing from Fund Balance	2,704,705	650,000	3,354,705	-	-
Total Capital Revenue	\$ 2,704,705	\$ 650,000	\$ 3,354,705	\$ -	\$ -
Capital Appropriation:					
Radio Capital Projects	2,704,705	650,000	3,354,705	-	-
Total Capital Appropriation	\$ 2,704,705	\$ 650,000	\$ 3,354,705	\$ -	\$ -

CIP Fund Financial Position

	2023-2024 Actuals	2025 Estimated at Budget Adoption	2025 Biennial-to-Date Actuals	2025 Estimated	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	\$ 12,323,673		\$ 12,239,945	\$ 12,239,945	\$ 9,358,155	\$ 9,977,498
Capital Funding Sources						
Radio Reserves	635,125					
Misc Revenue, Interest Earnings	904,977		85,901	343,605	748,652	798,200
Total Capital Revenue	\$ 1,540,103	\$ -	\$ 85,901	\$ 343,605	\$ 748,652	\$ 798,200
Capital Expenditures						
Radio Capital Projects	1,963,252		307,107	3,225,395	129,309	-
Total Capital Expenditures	\$ 1,963,252	\$ -	\$ 307,107	\$ 3,225,395	\$ 129,309	\$ -
Other Fund Transactions						
Accounting Adjustments	339,422					
Total Other Fund Transactions	\$ 339,422	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 12,239,945	\$ -	\$ 12,018,740	\$ 9,358,155	\$ 9,977,498	\$ 10,775,698
Reserves						
Infrastructure Reserve	12,420,636		12,199,431	10,188,846	9,977,498	10,775,698
Radio Equipment Replacement Reserve	(180,691)		(180,691)	(830,691)		
Total Reserves	\$ 12,239,945	\$ -	\$ 12,018,740	\$ 9,358,155	\$ 9,977,498	\$ 10,775,698
Projected Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Financial Plan Notes

CIP Budget:

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- 2023-2024 Ending Balance (Biennium ITD Balance) column reflects the best estimate of the inception to date budget balances and actual balances after 2024 is closed.
- 2025 Budget is consistent with PIC for 2025 Final Adopted Budget and proposed supplementals.
- 2025 Total (Balance + Budget) column sums the 2023-2024 Ending Balance (Year End ITD Balance) column and the 2025 Budget column.
- Outyear projections should be consistent with PIC.

Revenue Notes:

- Revenues shown are equal to the budgeted expenditure. Revenues include new revenue and fund balance designated to projects.

Appropriation Notes:

CIP Fund Financial Position:

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- Budget to Date (BTD) Actuals (expenditures and revenue) reflect EBS totals for budgetary accounts as of the most recent closed month.
- 2025 Estimated column reflects the best estimate for the biennium based on actuals and should be informed by the fund's spending plan.
- Outyear revenue projections and expenditure estimates are based on the most recent projections and reflect current project plans. Outyear allocations for projects not requesting budget in this cycle are included in the financial plan.

Revenues Notes:

The fund stopped collecting the radio network infrastructure reserve when PSERN became operational (LN 21).

Expenditure Notes:

All the capital projects are scheduled to be completed by the end of 2025, except for the radio equipment replacement project.

Reserve Notes:

- Reserves dedicated to budgeted projects is for projects that are already appropriated. This fund balance cannot be used for other projects without disappropriating projects or creating a shortfall in the fund.
- Reserves available for future projects are funds that are not dedicated to projects that are already appropriated.
- The capital fund reserve primarily consists of the Radio Network Infrastructure Reserve.
- The Radio Equipment Replacement Reserve is collected in the Radio operating fund (F4501) and accounts for accumulated agency contributions for radio equipment replacement. Replacement is scheduled for 2032 and is anticipated to cost \$33M based on the Dec. 2024 inventory and the estimated future price of radios. \$180K of the Radio Equipment Replacement Reserve shortage in FY23-24 was due to a higher than anticipated expenditure incurred in the Subscriber Radio Replacement Project (1115920). KCIT plans to request reserve adjustments as part of the 2026-2027 budget.

Last Updated 4/14/2025 by Junko Keesecker using data from EBS, PIC.

Financial Plan 2025 Omnibus
Public Transportation Fund / 4641, 3641, 3642, 4643, 8430

Category	2023-2024 Actuals	2025 Adopted	2025 Current Budget	2025 Annual-to- Date Actuals	2025 Estimated	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	2,054,578,744	2,184,636,478	2,104,292,364	2,104,292,364	2,104,292,364	2,001,295,834	1,315,485,087
Revenues							
Sales Tax	1,678,678,030	860,390,009	851,665,240	1,543,421	851,665,240	1,760,546,282	1,855,053,080
Property Tax	79,071,396	41,306,665	41,332,946	1,712,823	41,332,946	85,294,937	88,739,965
Fares (All Modes)	165,554,568	100,007,180	100,007,180	8,213,716	85,165,542	194,917,333	252,256,057
Other Operations	37,550,463	10,017,582	10,017,582	707,037	10,017,582	19,694,577	20,775,874
Sound Transit Payments	382,821,636	278,212,638	294,581,887	-	294,581,887	607,398,843	625,947,397
Seattle Service	63,339,514	40,510,573	48,523,114	3,252,519	49,523,114	105,171,639	111,461,697
Grants	234,631,710	201,021,259	201,021,259	7,353,522	201,021,259	564,355,431	494,460,768
Interest Income	129,897,017	62,198,777	62,198,777	5,995,056	62,198,777	82,420,348	38,763,833
Miscellaneous	17,712,777	12,103,661	12,103,661	198,892	12,103,661	30,547,898	30,002,489
Total Revenues	\$ 2,789,257,104	\$ 1,605,768,344	\$ 1,621,451,645	\$ 28,976,985	\$ 1,607,610,007	\$ 3,450,347,288	\$ 3,517,461,160
Expenditures							
<i>King County Bus Operations</i>	1,602,249,781	935,712,605	905,536,747	200,966,149	911,403,215	2,075,089,853	2,302,243,628
<i>DART and Alt Services Operations</i>	68,298,790	44,317,018	45,509,681	1,738,770	45,509,681	87,598,253	92,730,658
<i>ACCESS Operations</i>	165,767,200	95,011,184	95,221,877	10,453,330	95,221,877	204,344,502	228,656,822
<i>Sound Transit Link Operations</i>	264,978,886	212,665,427	228,986,551	43,461,319	228,986,551	468,613,767	497,980,530
<i>Sound Transit Bus Operations</i>	116,526,760	66,535,454	70,471,419	17,383,717	70,471,419	135,281,543	124,269,799
<i>Seattle-Funded Bus Operations</i>	59,763,039	34,515,344	41,130,459	8,991,123	41,130,459	80,211,333	84,856,193
<i>Streetcar Operations</i>	28,461,048	14,057,797	15,406,153	3,325,163	15,406,153	30,440,640	32,409,835
<i>Vanpool Operations</i>	21,271,510	13,512,950	13,404,475	2,299,344	13,404,475	28,730,922	30,407,171
<i>Marine Operations</i>	22,627,891	15,802,888	16,463,304	2,314,740	16,463,304	29,937,801	31,670,057
Transit Operating Total	2,349,944,906	1,432,130,666	1,432,130,666	290,933,654	1,437,997,134	3,140,248,613	3,425,224,693
Infrastructure Capital	300,614,166	525,311,014	525,311,014	33,770,485	242,240,094	1,066,181,712	1,165,548,933
Revenue Fleet Capital	67,362,994	211,276,844	211,276,844	704,399	142,025,301	197,436,633	786,767,089
Debt Service	12,926,163	6,485,323	6,485,323	526,625	6,485,323	18,951,298	104,007,823
Total Expenditures	\$ 2,730,848,229	\$ 2,175,203,847	\$ 2,175,203,847	\$ 325,935,162	\$ 1,828,747,851	\$ 4,422,818,256	\$ 5,481,548,537
Estimated Underexpenditures	-	(117,235,314)	(117,235,314)	-	(117,235,314)	(151,201,576)	(95,946,146)
Other Fund Transactions							
Debt Proceeds	-	-	-	-	-	134,552,644	572,313,323
Misc Balance Adjustments & Other Transfers	(8,695,255)	906,000	906,000	-	906,000	906,000	906,000
Total Other Fund Transactions	\$ (8,695,255)	\$ 906,000	\$ 906,000	\$ -	\$ 906,000	\$ 135,458,644	\$ 573,219,323
Ending Fund Balance	\$ 2,104,292,364	\$ 1,733,342,289	\$ 1,668,681,476	\$ 1,807,334,187	\$ 2,001,295,834	\$ 1,315,485,087	\$ 20,563,178
Reserves							
Revenue Stabilization Reserve	321,054,968	329,099,178	325,761,954	325,761,954	325,761,954	338,735,979	361,311,065
Operating Ending Target Requirement	56,656,759	58,076,326	57,487,404	57,487,404	57,487,404	59,776,937	63,760,776
Revenue Fleet Replacement Reserve	146,769,266	156,695,307	156,695,307	156,695,307	156,695,307	374,539,890	196,879,968
Electrification Infrastructure Reserve	475,743,832	395,565,138	395,565,138	395,565,138	395,565,138	342,095,697	212,521,809
Marine Balance Designation	25,768,486	19,455,451	22,554,691	22,554,691	22,554,691	(7,604,795)	(25,472,914)
Bond Fund Reserve	20,839,718	54,659,911	52,627,383	52,627,383	52,627,383	58,104,841	34,528,360
Capital Carryover Reserve	500,278,357	298,059,351	168,817,145	168,817,145	541,309,391	197,618,275	85,089
Capital Designated Revenue	7,256,272	7,479,379	7,256,272	7,256,272	7,256,272	7,256,272	7,256,272
Total Reserves	\$ 1,554,367,658	\$ 1,319,090,042	\$ 1,186,765,295	\$ 1,186,765,295	\$ 1,559,257,541	\$ 1,370,523,097	\$ 850,870,425
Reserve Shortfall	-	-	-	-	-	55,038,011	830,307,247
Ending Undesignated Fund Balance	\$ 549,924,706	\$ 414,252,247	\$ 481,916,181	\$ 620,568,892	\$ 442,038,293	\$ -	\$ -

Financial Plan Notes

- All financial plans have the following assumptions, unless otherwise noted in below rows:
- 2025 Adopted Budget ties to PBCS.
- Outyear projections columns: revenue and expenditure inflation assumptions are consistent with figures provided by Office of Economic and Financial Analysis, PSB's BFPA guidance, and Metro's internal assumptions and methodology.

Revenue Notes:

- Revenues reflect the March 2025 forecast from the Office of Economic and Financial Analysis, and Metro planning assumptions.
- Fares assume the approved increase in 2025, and follow projections for service hours and ridership.

Expenditure Notes:

- 2025 Annual-to-Date Actuals ties to BI Insights through March 2025.
- Operating costs reflect direct costs by mode plus allocated indirect costs. 2025 Current Budget column reflects Metro's 2025 budget cost allocation model, which was prepared after budget adoption.
- King County bus operations follow the direction outlined in the adopted Service Recovery Plan, and assume service to be fully restored by 2028.
- Infrastructure Capital includes facility and passenger infrastructure, state of good repair, speed and reliability investments, and technology.
- Revenue Fleet Capital includes purchasing zero emission vehicles and replacing fleet nearing their end of useful life.
- 2025 Estimated includes an assumption of Metro's capital delivery accomplishment rate. Costs carry forward to future biennia.

Reserve Notes:

- Reserve levels reflect those adopted in the Fund Management Policies for Public Transportation. In biennial columns, the reserve reflects the amount required by the end of the biennium.
- Electrification Infrastructure Reserve reflects sets aside fund balance for bus electrification infrastructure capital spending.
- Marine Balance Designation tracks the Marine Division's designated revenue sources against their operating and capital expenses, and resulting fund balance.
- Capital Designated Revenue and Capital Carryover Reserve represent a portion of fund balance dedicated to current capital projects.

Last Updated 5/7/25 by Jennifer Lehman using data from BI Insights/EBS, and economic and financial planning assumptions from OEFA and PSB.

Financial Plan 2025 Omnibus
PSB GF IT CAPITAL FUND / 000003280

Capital Improvement Program (CIP) Budget

	2023-2024 Ending Balance (Biennium ITD Balance)	2025 Budget (including adopted, revised, & proposed supplementals)	2025 Total (Balance + Budget)	2026-2027 Projected	2028-2029 Projected
Capital Budget Revenue Sources:					
Revenue Backing from Fund Balance	792,263	-	792,263	-	-
Bond Proceeds	4,682,668	-	4,682,668	-	-
AFIS Fund Transfers	1,196,000	-	1,196,000	-	-
General Fund Transfers	1,425,583	2,788,404	4,213,987	250,000	-
Total Capital Revenue	\$ 8,096,514	\$ 2,788,404	\$ 10,884,918	\$ 250,000	\$ -
Capital Appropriation:					
DAJD IT Projects	2,364,025	-	2,364,025	-	-
PSB IT Projects	1,049,317	-	1,049,317	-	-
Elections IT Projects	-	-	-	-	-
DJA IT Projects	404,563	892,433	1,296,996	-	-
PAO IT Projects	2,664,970	-	2,664,970	-	-
DPD IT Projects	26,666	-	26,666	-	-
KCSO IT Projects	1,379,951	1,895,971	3,275,922	250,000	-
KCSC IT Projects	207,023	-	207,023	-	-
Total Capital Appropriation	\$ 8,096,514	\$ 2,788,404	\$ 10,884,918	\$ 250,000	\$ -

CIP Fund Financial Position

	2023-2024 Actuals	2025 Estimated at Budget Adoption	2025 Annual-to-Date Actuals	2025 Estimated	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	\$ 441,003	\$ 441,003	\$ 792,263	\$ 792,263	\$ 792,263	\$ 792,263
Capital Funding Sources						
Bond Proceeds	4,209,714	5,072,943	154,704	3,937,676	-	-
AFIS Fund Transfers	-	800,000	-	1,196,000	-	-
General Fund Transfers	1,348,368	2,402,156	333,711	3,619,578	250,000	-
Total Capital Revenue	\$ 5,558,082	\$ 8,275,099	\$ 488,415	\$ 8,753,254	\$ 250,000	\$ -
Capital Expenditures						
DAJD IT Projects	264,535	1,604,032	100,544	1,339,968	-	-
PSB IT Projects	164,932	58,760	236,003	517,007	-	-
Elections IT Projects	-	-	-	-	-	-
DJA IT Projects	621,520	892,433	143,194	917,322	-	-
PAO IT Projects	335,030	2,302,000	32,588	2,510,000	-	-
DPD IT Projects	3,711,684	1,166,911	21,759	87,708	-	-
KCSO IT Projects	109,122	2,691,965	61,198	3,381,249	250,000	-
KCSC IT Projects	-	-	-	-	-	-
Total Capital Expenditures	\$ 5,206,822	\$ 8,716,102	\$ 595,286	\$ 8,753,254	\$ 250,000	\$ -
Other Fund Transactions						
Total Other Fund Transactions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 792,263	\$ 0	\$ 685,392	\$ 792,263	\$ 792,263	\$ 792,263
Reserves						
Dedicated to budgeted projects						
Available for future projects						
Total Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	\$ 792,263	\$ 0	\$ 685,392	\$ 792,263	\$ 792,263	\$ 792,263

Financial Plan Notes

CIP Budget:

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- 2023-2024 Ending Balance (Biennium ITD Balance) column reflects the best estimate of the inception to date budget balances and actual balances after 2024 is closed.
- 2025 Budget is consistent with PIC for 2025 Final Adopted Budget and proposed supplementals.
- 2025 Total (Balance + Budget) column sums the 2023-2024 Ending Balance (Year End ITD Balance) column and the 2025 Budget column.
- Outyear projections should be consistent with PIC.

Revenue Notes:

- Revenues shown are equal to the budgeted expenditure. Revenues include new revenue and fund balance designated to projects.

Appropriation Notes:

- Capital Project Appropriation totals only include projects marked as "approved" or "pending close".
- KCSO NEW LIMS REPLACE Project 1144540 was originally approved in a prior budget, then delayed, and now approved again with a budget of \$396k.

CIP Fund Financial Position:

- All financial plans have the following assumptions, unless otherwise noted in below rows.
- Budget to Date (BTD) Actuals (expenditures and revenue) reflect EBS totals for budgetary accounts as of the most recent closed month.
- 2025 Estimated column reflects the best estimate for the biennium based on actuals and should be informed by the fund's spending plan.
- Outyear revenue projections and expenditure estimates are based on the most recent projections and reflect current project plans. Outyear allocations for projects not requesting budget in this cycle are included in the financial plan.
- 2023-2024 Ending Fund Balance is a preliminary amount based on FBOD's accounting.

Revenues Notes:

- Annual-to-date actuals are through March 2025.

Expenditure Notes:

- Annual-to-date actuals are through March 2025.
- Annual-to-date actuals for PSB CX ANALYTICS PLATFORM project are over the 2025 estimate at budget adoption due to a delay in vendor payments that was originally anticipated in 2024. The project underspent its 2024 expenditure projections by \$461k.

in 2024, the project underspent its 2024 expenditure projections by \$401K.

Reserve Notes:

- Reserves dedicated to budgeted projects is for projects that are already appropriated. This fund balance cannot be used for other projects without disappropriating projects or creating a shortfall in the fund.
- This fund has no reserve policy.

2025 Omnibus Financial Plan
Veterans, Seniors, and Human Services Levy (VSHSL) / 000001143 and 000001144

Category	2023-2024 Actuals	2025 Adopted	2025 Revised	2025 Year-to-Date Actuals	2025 Estimated	2026-2027 Projected	2028-2029 Projected
Beginning Fund Balance	\$ 29,559,950	\$ 38,696,625	\$ 73,891,555	\$ 73,891,555	\$ 73,891,555	\$ 17,709,808	\$ 23,783,871
Revenues							
Local	150,651,511	86,293,231	86,293,231	62,873,761	86,332,050	182,550,863	189,907,663
Other	5,177,170	473,279	473,279	163,237	947,000	1,000,000	1,065,000
Total Revenues	\$ 155,828,681	\$ 86,766,510	\$ 86,766,510	63,036,998	\$ 87,279,050	\$ 183,550,863	\$ 190,972,663
Expenditures							
Salaries, Wages & Benefits	14,381,660	11,742,209	11,742,209	3,215,343	13,665,116	28,540,961	30,105,006
Supplies	1,604,259	1,511,093	1,511,093	100,321	1,511,093	3,242,806	3,461,695
Other Operating Charges	72,071,620	66,280,661	66,280,661	4,669,702	83,210,934	93,107,350	100,467,158
Central Rates	2,302,420	1,810,387	1,810,387	671,735	1,810,387	4,123,337	4,674,215
Interfund Transfers	20,137,902	36,547,414	36,547,414	796,517	43,263,267	48,462,346	51,375,686
Capital Expenditures	21	-	-	1,158	-	-	-
Election Costs	923,026	-	-	-	-	-	-
Total Expenditures	\$ 111,420,908	\$ 117,891,764	\$ 117,891,764	\$ 9,454,776	\$ 143,460,797	\$ 177,476,800	\$ 190,083,760
Estimated Underexpenditures	-	-	-	-	-	-	-
Other Fund Transactions							
GAAP Adjustment	(76,168)	-	-	-	-	-	-
Total Other Fund Transactions	\$ (76,168)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 73,891,555	\$ 7,571,371	\$ 42,766,301	\$ 127,473,777	\$ 17,709,808	\$ 23,783,871	\$ 24,672,774
Reserves							
Reserve for Committed Projects	65,555,575	-	26,601,041	-	-	-	-
Rainy Day Reserve (60 days), Operating Costs Only	8,335,980	16,165,260	16,165,260	20,294,940	20,294,940	13,641,900	14,774,880
Total Reserves	\$ 73,891,555	\$ 16,165,260	\$ 42,766,301	\$ 20,294,940	\$ 20,294,940	\$ 13,641,900	\$ 14,774,880
Reserve Shortfall	-	8,593,889	-	-	2,585,132	-	-
Ending Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,141,971	\$ 9,897,894

Financial Plan Notes

All financial plans have the following assumptions, unless otherwise noted in below rows.

2025 Proposed Budget ties to PBCS.

Outyear **projections** : expenditure inflation assumptions are consistent with PSB's BFPA guidance and the adopted Implementation plan.

Revenue Notes:

Local revenues are based on the March 2025 OEFA forecast and BFPA growth assumptions. Other revenue represents estimated interest earnings.

Expenditure Notes:

2023-2024 expenditures are based on 2023 and 2024 actuals.

2025 estimated expenditures reflect the proposed Omnibus reappropriation.

Reserve Notes:

The 60-day rainy day reserve omits capital expenditures (veterans facility).

Reserve for committed projects is a reserve to cover projected expenditures in the adopted implementation plan.

Reserve shortfall in 2025 is due to one-time costs in the earlier years of the renewed levy (e.g., veterans facility). The rainy day reserve is built back up over the remainder of the levy period.

Fund Balance:

The outyear undesignated fund balances are due to higher revenue forecast per March 2025 OEFA, whereas the expenditures are aligned with the adopted Implementation Plan. Any undesignated fund balance will be allocated in accordance with the process outlined in Implementation Plan and proposed as part of the 2026-2027 budget process.

Last Updated 05/14/25 by DCHS finance using data from PBCS and BFPA assumptions.

2025 Omnibus Operating Crosswalk

Ord	Section 19861	Appro_Ess	Appropriation Name/Code	DP	Title	Narrative	Decision Package Type	Appropriation \$	Revenue \$	Dec FTEs	Dec TLTs	Fund Balance Used \$
16		EN_A14000	OFFICE OF PERFORMANCE STRATEGY AND BUDGET (EN_A14000)	S1_001	Harborview Budget Analyst	Add a position for a Harborview budget analyst. This position will be charged to Harborview's appropriation unit.	Direct Service Changes	0	0	1.00	0.00	0
18		EN_A14200	OFFICE OF CLIMATE (EN_A14200)	S1_001	External Funding Reappropriation	Reappropriate spending authority for programs funded by 2024 grants. Programs are expected to fully expend grant funds in 2025, and include CPACER, K4C, Green Jobs Partnership, Switch is On, and the Coalition for Climate Careers.	Reappropriation	315,425	0	0.00	0.00	315,425
18		EN_A14200	OFFICE OF CLIMATE (EN_A14200)	S1_002	Externally Funded Programs	Add appropriation for externally funded programs such as CPACER, K4C, and Green Jobs External Partnership. These funds will be received and are expected to be spent in 2025.	Direct Service Changes	150,585	150,585	0.00	0.00	0
20		EN_A20000	SHERIFF (EN_A20000)	S1_001	Buoy Maintenance	Add budget to fund contract for installation and maintenance of buoys in Lake Washington and Lake Sammamish. Most of these buoys are the responsibility of various cities, and the expenses will be reimbursed. KCSO has offered to contract for maintenance centrally rather than having individual cities maintain their own buoys.	Direct Service Changes	157,000	157,000	0.00	0.00	0
20		EN_A20000	SHERIFF (EN_A20000)	S1_002	Metro Transit Positions	Add revenue-backed officers as requested by Metro.	Direct Service Changes	1,344,265	1,254,228	10.00	0.00	90,037
20		EN_A20000	SHERIFF (EN_A20000)	S1_003	Supplies and Equipment	Add funding for necessary supplies and equipment not included in the 2025 Adopted Budget. These include deputy medical kits, additional equipment for the rapid deployment force, Criminal Investigations equipment, and contract city information technology needs. The contract city purchases will be reimbursed by the cities.	Direct Service Changes	354,000	30,000	0.00	0.00	324,000
20		EN_A20000	SHERIFF (EN_A20000)	S1_006	Marine Unit Engine Reappropriation	Reappropriate funding to replace the safe boat engines. The safe boat engine upgrade was appropriated and ordered in 2024. However, the delivery and payment occurred in 2025.	Reappropriation	231,000	0	0.00	0.00	231,000
20		EN_A20000	SHERIFF (EN_A20000)	S1_007	Vacancy Rate Contra	Reduce the negative budget contra applied to capture salary savings due to vacancies. KCSO has used salary savings beyond the vacancy rate amount to cover necessary spending in overtime and non-labor accounts above budgeted levels, however current projections show that that shortages in these accounts will exceed salary savings.	Direct Service Changes	2,000,000	0	0.00	0.00	2,000,000
20		EN_A20000	SHERIFF (EN_A20000)	S1_009	Hiring and Referral Incentive Pay	Add funding for Sheriff's Office hiring and referral incentive payments committed in 2025. This request covers the extension of the program through 2025.	Technical Adjustments	396,250	0	0.00	0.00	396,250
20		EN_A20000	SHERIFF (EN_A20000)	S1_013	Basic Training Unit Lease	Add funding for new leased training space. The Basic Training Unit has been housed at the Basic Law Enforcement Academy in Burien in free office space. The Criminal Justice Training Commission has expanded and requires use of the office space and classroom, requiring the Basic Training Unit to move off of the Academy property and into a leased office space.	Technical Adjustments	142,000	0	0.00	0.00	142,000
20		EN_A20000	SHERIFF (EN_A20000)	S1_014	Hangar Lease	Add funds to cover the difference between what was provided in the budget for the hangar in 2025 and what is actually needed based on planned monthly rent.	Technical Adjustments	130,000	0	0.00	0.00	130,000
20		EN_A20000	SHERIFF (EN_A20000)	S1_018	Revenue Backed Overtime Add	Add revenue-backed overtime for contract cities. Contract city overtime usage has increased substantially in recent years with no increase in budget.	Direct Service Changes	8,000,000	8,000,000	0.00	0.00	0
20		EN_A20000	SHERIFF (EN_A20000)	S1_020	Marshals' Guild Settlement	Add funding for increased labor costs due to the recently-approved settlement with the Marshals' Guild.	Technical Adjustments	528,000	0	0.00	0.00	528,000

20	EN_A20000	SHERIFF (EN_A20000)	S1_021	Body Worn Cameras	Add sufficient budget to fully fund the body-worn camera contract with Axon. The ongoing amount included in the 2025 Adopted Budget did not include funding for storage and video redaction support.	Technical Adjustments	234,883	0	0.00	0.00	234,883
29	EN_A44100	PARKING FACILITIES (EN_A44100)	S1_001	Goat Hill Garage	Adds additional funding for the the operator of the Goat Hill Garage to support increased labor costs and banking fees.	Administrative Changes	122,000	122,000	0.00	0.00	0
32	EN_A51000	SUPERIOR COURT (EN_A51000)	S1_001	Trial Court Improvement Funds	Reappropriate unspent State Trial Court Improvement funds as of the end of 2024. Revenue was received and budgeted in previous years.	Reappropriation	598,174	0	0.00	0.00	598,174
33	EN_A53000	DISTRICT COURT (EN_A53000)	S1_001	Interpreter Funding	Add budget to spend funding from the Administrative Office of the Courts for interpreters. This request includes both reappropriated funding from the State 2024-2025 fiscal year and new funding for the 2025-2026 fiscal year.	Technical Adjustments	724,799	410,000	0.00	0.00	314,799
33	EN_A53000	DISTRICT COURT (EN_A53000)	S1_002	Trial Court Improvement Funds	Reappropriate a portion of District Court's Trial Court Improvement Act funding received from the state in prior years.	Technical Adjustments	300,000	0	0.00	0.00	300,000
35	EN_A54000	JUDICIAL ADMINISTRATION (EN_A54000)	S1_001	Protection Order Office Reconfiguration and Relocation	Reappropriate funding to reconfigure/relocate protection order offices at the Malang Regional Justice Center and the King County Courthouse (KCCH). The project will provide adequate space for customers and staff and improve safety. Design work began in 2024, but the project was not completed.	Reappropriation	200,000	0	0.00	0.00	200,000
35	EN_A54000	JUDICIAL ADMINISTRATION (EN_A54000)	S1_002	Drug Court Housing	Add additional housing units for Drug Court participants from state Criminal Justice Treatment Account (CJTA) funds.	Direct Service Changes	105,000	105,000	0.00	0.00	0
41	EN_A65600	INTERNAL SUPPORT (EN_A65600)	S1_001	Department of Public Defense Settlement Payment	Appropriate funding to pay out the settlement amount for the LaRose Settlement on behalf of the Department of Public Defense.	Technical Adjustments	3,100,000	0	0.00	0.00	3,100,000
41	EN_A65600	INTERNAL SUPPORT (EN_A65600)	S1_002	Arts and Cultural Development Transfer	Transfer funding to the Arts and Cultural Development Fund for COVID related expenditures that have already occurred but were not reimbursed before the end of 2024.	Administrative Changes	2,800,000	0	0.00	0.00	2,800,000
42	EN_A65700	EXTERNAL SUPPORT (EN_A65700)	S1_001	External Support Project Reappropriation	Reappropriate CLFR-enabled projects that were added in the 2023-2024 4th Omnibus process and a DLS project. It is anticipated that funds will be spent down in 2025.	Reappropriation	8,472,000	0	0.00	0.00	8,472,000
42	EN_A65700	EXTERNAL SUPPORT (EN_A65700)	S1_003	Change Grantee under ER2	Change grantee from "Center of Success" to "Access to Our Community."	Proviso/ER	0	0	0.00	0.00	0
42	EN_A65700	EXTERNAL SUPPORT (EN_A65700)	S1_004	Change Grantee Name under ER2	Change "Abu Bakr Islamic Center Shared Kitchen Project" to "Abu Bakr Islamic Center."	Proviso/ER	0	0	0.00	0.00	0
45	EN_A69200	GF TRANSFER TO DLS (EN_A69200)	S1_001	General Fund Transfer Technical Adjustment	Appropriate General Fund funding to the Department of Local Services for programs that were previously approved in prior budgets.	Technical Adjustments	2,296,000	0	0.00	0.00	2,296,000
46	EN_A69400	GF TRANSFER TO DCHS (EN_A69400)	S1_001	Civil Legal Services Transfer Adjustment	Appropriate General Fund funding to support an expenditure restriction in the Adopted 2025 Budget for civil legal services to be carried out by DCHS.	Technical Adjustments	152,000	0	0.00	0.00	152,000
46	EN_A69400	GF TRANSFER TO DCHS (EN_A69400)	S1_002	Housing Funding Reappropriation	Reappropriate General Fund funding from the 2023-2024 Budget approved for Health through Housing and the Housing Finance Program that will be spent in 2025.	Technical Adjustments	9,402,816	0	0.00	0.00	9,402,816
46	EN_A69400	GF TRANSFER TO DCHS (EN_A69400)	S1_003	4th Omnibus Reappropriation	Reappropriate General Fund-backed projects approved in the 2023-2024 4th Omnibus Supplemental that will be expended in 2025.	Technical Adjustments	6,300,000	0	0.00	0.00	6,300,000
46	EN_A69400	GF TRANSFER TO DCHS (EN_A69400)	S1_004	General Fund Transfer Technical Adjustment	Appropriate General Fund funding to the Department of Community and Human Services for programs that were previously approved in prior budgets.	Technical Adjustments	24,617,633	0	0.00	0.00	24,617,633
47	EN_A69500	GF TRANSFER TO DES (EN_A69500)	S1_003	General Fund Transfer Technical Adjustment	Appropriate General Fund funding to the Office of Risk Management for programs that were previously approved in prior budgets.	Technical Adjustments	1,400,000	0	0.00	0.00	1,400,000
47	EN_A69500	GF TRANSFER TO DES (EN_A69500)	S1_004	General Fund Transfer Technical Adjustment	Appropriate General Fund funding to the Finance and Business Operations Division for programs that were previously approved in prior budgets.	Technical Adjustments	867,000	0	0.00	0.00	867,000
48	EN_A69600	GF TRANSFER TO DPH (EN_A69600)	S1_001	General Fund Transfer Technical Adjustment	Appropriate General Fund funding to Public Health for programs that were previously approved in prior budgets.	Technical Adjustments	3,529,190	0	0.00	0.00	3,529,190
49	EN_A69700	GF TRANSFER TO DNRP (EN_A69700)	S1_001	General Fund Transfer Technical Adjustment	Appropriate General Fund funding to the Department of Natural Resources and Parks for programs that were previously approved in prior budgets.	Technical Adjustments	2,217,709	0	0.00	0.00	2,217,709

		GF TRANSFER TO KCIT (EN_A69800)	S1_001	Distributed Antenna Systems Stabilization	Provide General Fund support to KCIT to stabilize the legacy Distributed Antenna System (DAS) in the King County Corrections Facility and King County Courthouse. This decision package aligns with S1_002 in the KCIT Services appropriation unit.	Administrative Changes	590,000	0	0.00	0.00	590,000
New Section	EN_A69800										
50	EN_A69900	GF CIP TRANSFER TO DES (EN_A69900)	S1_002	General Fund Transfer Technical Adjustment	Appropriate General Fund funding to the Facilities Management Division for programs that were previously approved in prior budgets.	Technical Adjustments	4,000,000	0	0.00	0.00	4,000,000
50	EN_A69900	GF CIP TRANSFER TO DES (EN_A69900)	S1_005	KCCF Bunk Modifications	Provide General Fund support for additional work on installing new wall-mounted bunks in th King County Correctional Facility (capital project request 1147794).	Administrative Changes	275,000	0	0.00	0.00	275,000
51	EN_A70100	GF TRANSFER TO PSB GF IT CAP F3280 (EN_A70100)	S1_001	KCSO CJIS Network Upgrade	Provide General Fund support to capital project 1150119, an IT project to upgrade King County Sheriff Office (KCSO) CJIS network equipment to Cisco's Meraki platform, deploying it to all KCSO offices.	Administrative Changes	774,207	0	0.00	0.00	774,207
52	EN_A82000	JAIL HEALTH SERVICES (EN_A82000)	S1_001	Case Manager for HIV- related Release Planning Services	Expand case management and discharge planning services for jail residents with HIV or at risk of developing HIV. Funding is from the City of Seattle and the program will serve Seattle residents.	Direct Service Changes	143,525	143,525	1.00	0.00	0
52	EN_A82000	JAIL HEALTH SERVICES (EN_A82000)	S1_002	Parking Benefit	Extend the parking benefit at the Goat Hill garage for Washington State Nurses Association (WSNA) members through 2025. This extension was granted for an additional year in a Memorandum of Agreement with the WSNA while contract negotiations remain ongoing.	Technical Adjustments	104,000	0	0.00	0.00	104,000
52	EN_A82000	JAIL HEALTH SERVICES (EN_A82000)	S1_003	Behavioral Health Risk Assessment Tool (Position Transfer)	Transfer a position and the associated Mental Illness and Drug Dependency (MIDD) funding designated for Personal Recognizance Interview & Needs Screening (PRINS) of adults in detention from Jail Health Services to the Department of Adult and Juvenile Detention (A91000). This decision package is linked to S1_003 in DAJD (A91000).	Administrative Changes	(143,525)	(143,525)	(1.00)	0.00	0
52	EN_A82000	JAIL HEALTH SERVICES (EN_A82000)	S1_004	Contracted Temporary Agency Nurse Staffing	Revise the budget to align with projected expenses for contracted temporary nursing staff, who play a crucial role in maintaining mandated health operations during staff vacancies or employee leave. The costs for temporary nurses surged during the COVID-19 pandemic and remain elevated due to an ongoing national shortage of healthcare workers.	Direct Service Changes	1,400,000	0	0.00	0.00	1,400,000
54	EN_A91000	ADULT AND JUVENILE DETENTION (EN_A91000)	S1_001	Overtime Pay Incentives for Juvenile Detention Officers and Supervisors	Add appropriation for temporary voluntary and mandatory overtime (2x pay) for juvenile detention officers and juvenile division correction supervisors approved by the Council in Ordinances 19897 and 19898.	Administrative Changes	939,000	0	0.00	0.00	939,000
54	EN_A91000	ADULT AND JUVENILE DETENTION (EN_A91000)	S1_002	Food and Supplies Budget Adjustment	Increase budget for food and other supplies for adults and youth at King County detention facilities to provide proper care and ensure the dignity of people in detention. The cost of food and supplies has increased significantly since the pandemic due to inflation and higher average daily population.	Technical Adjustments	3,977,815	0	0.00	0.00	3,977,815
54	EN_A91000	ADULT AND JUVENILE DETENTION (EN_A91000)	S1_003	Behavioral Health Risk Assessment Tool (Position Transfer)	Transfer a position and the associated Mental Illness and Drug Dependency (MIDD) funding designated for Personal Recognizance Interview & Needs Screening (PRINS) of adults in detention from Jail Health Services to the Department of Adult and Juvenile Detention (A91000). This decision package is linked to S1_003 in Jail Health Services (A82000).	Administrative Changes	149,395	149,395	1.00	0.00	0
54	EN_A91000	ADULT AND JUVENILE DETENTION (EN_A91000)	S1_005	Scanner for the Youth Detention Facility	Purchase new security scanning equipment that complies with Washington State's new radiation safety standards updated in December 2024 for youth detention facilities. This upgraded scanner will enhance safety measures while ensuring humane conditions for juveniles entering custody at the Judge Patricia H. Clark Children and Family Justice Center (CCFJC).	Direct Service Changes	150,000	0	0.00	0.00	150,000
54	EN_A91000	ADULT AND JUVENILE DETENTION (EN_A91000)	S1_006	Reduction of Vacancy Factor	Reduce the standard vacancy factor and remove the additional budget contra added to the department's budget due to high vacancy rates in recent years. Salary savings are decreasing as hiring efforts improve, steadily reducing vacancy rates across the department.	Administrative Changes	3,933,185	0	0.00	0.00	3,933,185

55	EN_A95000	PUBLIC DEFENSE (EN_A95000)	S1_003	Increase Legal Services Appropriation	Add funding to address cost increases in Assigned Counsel, Expert Services and Contract Attorney expenses. Expenditures in these categories have exceeded estimates used for the 2025 adopted budget and this request ensures the department does not exceed its appropriation authority.	Direct Service Changes	3,841,000	0	0.00	0.00	3,841,000
55	EN_A95000	PUBLIC DEFENSE (EN_A95000)	S1_005	Eliminate Vacancy Rate Contra	Eliminate the assumed vacancy rate contra assumption due to increased recruitment activity and reduced vacancies.	Technical Adjustments	1,320,227	0	0.00	0.00	1,320,227
55	EN_A95000	PUBLIC DEFENSE (EN_A95000)	S1_006	Labor Costs to Address Increased Felony Cases	Add appropriation for attorney positions released due to higher than projected felony assignments in accordance with Ordinance 19861 Expenditure Restriction 1. Amount is equivalent to four months of salary costs for 12 attorneys.	Direct Service Changes	529,000	0	0.00	0.00	529,000
64	EN_A92400	BEHAVIORAL HEALTH (EN_A92400)	S1_001	Medicaid Gainshare Repayments	Reappropriate spending authority DCHS received in the 2023-2024 4th Omnibus Supplemental for Medicaid Gainshare repayments to managed care organizations. The remainder of this amount will be paid in 2025.	Reappropriation	71,500,000	0	0.00	0.00	71,500,000
71	EN_A11900	VETERANS SENIORS AND HUMAN SERVICES LEVY (EN_A11900)	S1_001	Reappropriation to Align with VSHSL Implementation Plan	Reappropriate underspent funds to advance the Veterans, Seniors, and Human Services Levy (VSHSL) program goals and community impact and align the 2025 budget with the implementation plan.	Reappropriation	25,569,033	0	0.00	0.00	25,569,033
80	EN_A84500	SURFACE WATER MANAGEMENT LOCAL DRAINAGE SERVICES (EN_A84500)	S1_001	Reappropriation for vehicle purchase	Reappropriate 2024 budget to complete purchase of vehicles for the in-house mowing team.	Reappropriation	154,000	0	0.00	0.00	154,000
80	EN_A84500	SURFACE WATER MANAGEMENT LOCAL DRAINAGE SERVICES (EN_A84500)	S1_002	Reappropriation for stream flow study	Reappropriate 2024 budget to complete a study evaluating the causes of stream flow impediment in Burns creek. The study will be completed in 2025.	Reappropriation	187,000	0	0.00	0.00	187,000
80	EN_A84500	SURFACE WATER MANAGEMENT LOCAL DRAINAGE SERVICES (EN_A84500)	S1_003	Stormwater Asset Management Plan	Reappropriate budget to complete Stormwater Asset Management Plan in 2025.	Reappropriation	280,000	0	0.00	0.00	280,000
90	EN_A77000	LOCAL SERVICES ADMINISTRATION (EN_A77000)	S1_001	Remove Expenditure Restriction 1 Legacy Businesses	Remove Expenditure Restriction 1, which is related to the King County Comprehensive Plan action item for the creation of a legacy business program. This was an unfunded expenditure restriction, and the department does not have the staffing or resources to implement this across the county.	Proviso/ER	0	0	0.00	0.00	0
94	EN_A64000	PARKS AND RECREATION (EN_A64000)	S1_001	Healthy Communities and Parks Grant Program Reappropriation	Reappropriate funding for the Healthy Communities and Parks (formerly Targeted Equity Grants) grant. The request includes unspent funds for grants awarded from 2024 through 2024.	Reappropriation	2,770,777	2,770,777	0.00	0.00	0
97	EN_A84600	HISTORIC PRESERVATION PROGRAM (EN_A84600)	S1_001	Cost Recovery	Add appropriation authority to support the full cost of services provided to other agencies within King County. Each County program using Historic Preservation Program (HPP) services will now pay HPP using revenue transfers.	Technical Adjustments	298,524	416,000	0.00	0.00	(117,476)
98	EN_A93700	BEST STARTS FOR KIDS LEVY (EN_A93700)	S1_001	Best Starts for Kids Compliance Position	Add position to increase contract compliance capacity. No additional appropriation is needed in 2025 due to expected underexpenditure.	Administrative Changes	0	0	1.00	0.00	0
103	EN_A80000	PUBLIC HEALTH (EN_A80000)	S1_001	School Based-Mental Health Programming Expansion	Expand Mental Health Program across 21 school-based health centers in Seattle Public Schools. Funded by the Seattle payroll tax in 2025. Revenue exceeding expenditures covers existing overhead.	Direct Service Changes	5,837,714	5,878,000	1.00	0.00	(40,286)
103	EN_A80000	PUBLIC HEALTH (EN_A80000)	S1_002	Behavioral Health Services Expansion	Expand Substance Use Disorder (SUD) outreach-based mental health services. Funding provided by a Health Resources and Services Administration (HRSA) grant through August 2025. Revenue exceeding expenditures covers existing overhead.	Direct Service Changes	550,000	600,000	0.00	0.00	(50,000)
103	EN_A80000	PUBLIC HEALTH (EN_A80000)	S1_003	WIC Nutrition Assistant	Add a Nutrition Assistant position to support a caseload increase in Women, Infant and Children (WIC) clinics. Funded by the Washington State Department of Health.	Direct Service Changes	104,039	104,038	1.00	0.00	1
103	EN_A80000	PUBLIC HEALTH (EN_A80000)	S1_004	Best Starts for Kids (BSK) Reappropriation	Reappropriate community contracts providing childcare consultation, lead and toxics screening, school based health services, child and adolescent immunization, and other programs. Backed by the BSK levy in DCHS.	Reappropriation	1,138,872	1,138,872	0.00	0.00	0
103	EN_A80000	PUBLIC HEALTH (EN_A80000)	S1_005	Naloxone Distribution for Overdose Prevention	Leverage a one-time investment from the Crisis Care Centers Levy to increase community access to naloxone, particularly for populations disproportionately impacted by opioid overdose.	Direct Service Changes	1,116,461	1,116,461	0.00	0.00	0

103	EN_A80000	PUBLIC HEALTH (EN_A80000)	S1_006	Overdose Prevention and Response Programs	Sustain overdose prevention services, including naloxone access, outreach efforts, and harm reduction programming. Backed by the MIDD fund in DCHS.	Direct Service Changes	330,558	330,558	0.00	0.00	0
103	EN_A80000	PUBLIC HEALTH (EN_A80000)	S1_007	Centers for Disease Control and Prevention (CDC) Public Health Infrastructure Grant Continuation	Extend through November 2025 CDC funding to strengthen Public Health infrastructure, workforce, and data systems. The multi-year Public Health Infrastructure grant continues to support a variety of work including policy development, language access, community navigators, and related work. Revenue exceeding expenditures covers existing overhead.	Direct Service Changes	1,962,803	2,342,485	0.00	0.00	(379,682)
103	EN_A80000	PUBLIC HEALTH (EN_A80000)	S1_008	Public Health Emergency Preparedness Grant Continuation	Continue through June 2025 two existing emergency preparedness positions based on extended funding from the state. Key functions include emergency planning to provide critical services, resources, and information to promote the health of the most impacted communities during public health emergencies. Revenue exceeding expenditures covers existing overhead.	Direct Service Changes	245,098	310,000	0.00	0.00	(64,902)
103	EN_A80000	PUBLIC HEALTH (EN_A80000)	S1_010	King County Medical Examiner's Office CT Scanner	Complete the MEO CT scanner project from the previous biennium. Associated with S1_001 in the GF Transfer to Public Health.	Administrative Changes	1,778,128	1,778,128	0.00	0.00	0
104	EN_A85000	ENVIRONMENTAL HEALTH SERVICES (EN_A85000)	S1_001	Onsite Septic System (OSS) Climate Equity Project Reappropriation	Complete the replacement and conversion of old and failed sewage systems in low income neighborhoods with remaining funding from previous biennium. Completion expected June 2025.	Reappropriation	1,105,000	1,105,000	0.00	0.00	0
104	EN_A85000	ENVIRONMENTAL HEALTH SERVICES (EN_A85000)	S1_002	Program Manager for Storm Water Research Project	Add temporary program manager to study the effect of paraphenylenediamine (PPD) and perfluoroalkyl chemical (PFAS) compounds in high fish consumers in the Puget Sound area. Funded by the Washington State Department of Ecology from May 2025 through June 2027. Revenue exceeding expenditures covers existing overhead.	Direct Service Changes	152,695	182,695	0.00	1.00	(30,000)
107	EN_A93600	EMPLOYMENT EDUCATION RESOURCE (EN_A93600)	S1_001	Seattle Central College Contract	Add funding and revenue for new contract with Seattle Central College to provide case management for Open Doors. Open Doors provides social services navigation, education, and employment programs to youth ages 16 to 24 who are not in school or work.	Technical Adjustments	450,000	450,000	0.00	0.00	0
107	EN_A93600	EMPLOYMENT EDUCATION RESOURCE (EN_A93600)	S1_003	Best Starts for Kids Reappropriation	Reappropriate unspent 2024 allocation from Best Starts for Kids (BSK). Revenue was returned in 2024 and approved by BSK for use in 2025 to cover existing contract and implementation plan commitments. BSK has sufficient budget to cover this request and is not seeking additional appropriation.	Reappropriation	304,843	304,843	0.00	0.00	0
107	EN_A93600	EMPLOYMENT EDUCATION RESOURCE (EN_A93600)	S1_004	JumpStart Budget Shift	Remove revenues received from the Executive Climate Office and associated expenditures to support case management for the JumpStart program. EER will continue to perform this work but will instead transfer the costs to the Climate Office.	Technical Adjustments	(226,000)	(226,000)	0.00	0.00	0
107	EN_A93600	EMPLOYMENT EDUCATION RESOURCE (EN_A93600)	S1_006	Restorative Community Pathways Grant	Add remaining funds from existing grant from the Federal Department of Justice Office of Juvenile Justice Delinquency Prevention. This grant supports evaluation of the Restorative Community Pathways program.	Technical Adjustments	559,817	559,817	0.00	0.00	0
107	EN_A93600	EMPLOYMENT EDUCATION RESOURCE (EN_A93600)	S1_007	Open Doors Capacity Increase	Increase capacity for Open Doors. This request is backed by greater than expected Open Doors fee-for-service revenue received in 2024 and increased revenue expectations in 2025. A portion of this request will also fund EER's Out of School Youth program.	Technical Adjustments	1,185,865	176,244	0.00	0.00	1,009,621
109	EN_A72000	SOLID WASTE (EN_A72000)	S1_001	Remove requirement for motion acknowledging report receipt (P1)	Remove the requirement for Council to take action on Motion acknowledging receipt of flow control analysis and enforcement report that is due December 15, 2025. Enables release of restricted funds upon transmittal if the Council does not take up the Motion before the end of the year.	Proviso/ER	0	0	0.00	0.00	0
109	EN_A72000	SOLID WASTE (EN_A72000)	S1_002	Remove requirement for motion acknowledging report receipt (P2)	Remove the requirement for Council to take action on Motion acknowledging receipt of an organics system mapping and policy report that is due December 15, 2025. Enables release of restricted funds upon transmittal if the Council does not take up the Motion before the end of the year.	Proviso/ER	0	0	0.00	0.00	0
110	EN_A71000	AIRPORT (EN_A71000)	S1_001	FMD Star Forge Reimbursement	Reimburse FMD for expenses related to the Star Forge Acquisition project.	Direct Service Changes	747,000	0	0.00	0.00	747,000
110	EN_A71000	AIRPORT (EN_A71000)	S1_002	Fuel Farm Pollution Insurance	Appropriate funds to secure pollution insurance for the KCIA fuel farm.	Direct Service Changes	140,000	0	0.00	0.00	140,000

114	EN_A46100	WASTEWATER TREATMENT (EN_A46100)	S1_001	Reappropriation for contracted services	Reappropriate funding for various contracted services approved in 2023-2024.	Reappropriation	1,145,996	0	0.00	0.00	1,145,996
114	EN_A46100	WASTEWATER TREATMENT (EN_A46100)	S1_002	Reappropriation for vehicles and equipment	Reappropriate funding for various vehicles and equipment approved in 2023-2024.	Reappropriation	2,429,968	0	0.00	0.00	2,429,968
114	EN_A46100	WASTEWATER TREATMENT (EN_A46100)	S1_003	Reappropriation for WaterWorks Grant Program	Reappropriate funding for the WaterWorks Grant Program, grant funds were awarded at the end of the 2023 and will be fully spent between 2025-2027. This request is to carry forward the unspent grant funds in 2023-2024 into the 2025 budget year.	Reappropriation	6,010,538	0	0.00	0.00	6,010,538
114	EN_A46100	WASTEWATER TREATMENT (EN_A46100)	S1_004	SEIU 925 19 Classification Adjustments	Add funding for memorandum of agreement on classification wage increases and new hire/transfer terms in the parties collective bargaining agreement (CLA 011 Appendix). Approved by Council in 2024.	Technical Adjustments	2,265,211	0	0.00	0.00	2,265,211
114	EN_A46100	WASTEWATER TREATMENT (EN_A46100)	S1_005	West Point Access Road Repair	Add additional appropriation to cover costs of repair to City of Seattle Park's road (\$100K) and SPU storm drainage assets beneath (\$900K). The Seattle Park's road is the sole access route in and out of West Point Treatment Plant, for which King County has an easement.	Administrative Changes	1,000,000	1,000,000	0.00	0.00	0
115	EN_A46410	TRANSIT (EN_A46410)	S1_001	Contracted Security Services	Add 50 new Transit Security Officers (TSO) at transit route terminal posts, bus operations bases, transit zones (bus stops or shelters), and on coaches. These additions, a portion of which are revenue-backed by the City of Seattle, will improve operator and customer safety.	Direct Service Changes	3,313,772	1,000,000	0.00	0.00	2,313,772
115	EN_A46410	TRANSIT (EN_A46410)	S1_002	Metro Transit Police Services	Add 10 Metro Transit Police (MTP) Officers, bringing the total budgeted Officer positions to 89 FTEs. These additions will improve operator and customer safety.	Direct Service Changes	2,552,696	0	0.00	0.00	2,552,696
115	EN_A46410	TRANSIT (EN_A46410)	S1_003	Remove requirement for motion acknowledging report receipt (P4)	Remove the requirement for Council to action on Motion acknowledging receipt of a vanpool update report that is due August 31, 2025. Enables release of restricted funds upon transmittal if the Council does not take up the Motion before the end of the year.	Proviso/ER	0	0	0.00	0.00	0
115	EN_A46410	TRANSIT (EN_A46410)	S1_004	Remove requirement for motion acknowledging report receipt (P5)	Remove the requirement for Council to action on Motion acknowledging receipt of expediting RapidRide report that is due September 30, 2025. Enables release of restricted funds upon transmittal if the Council does not take up the Motion before the end of the year.	Proviso/ER	0	0	0.00	0.00	0
115	EN_A46410	TRANSIT (EN_A46410)	S1_005	State Funding for Water Taxi	Funding for Metro to continue mid-day, weekday passenger-only ferry service using state-appropriated funds to Metro when a previous state appropriation expires on June 30, 2025.	Technical Adjustments	0	1,280,000	0.00	0.00	(1,280,000)
121	EN_A60100	FACILITIES MANAGEMENT DIVISION (EN_A60100)	S1_001	Harborview Bond Program	Add one administrator and two business finance officer positions to support the Harborview bond program. These positions will provide additional capacity for the next phase of the 2020 Harborview bond program.	Direct Service Changes	0	0	3.00	0.00	0
123	EN_A43200	KCIT SERVICES (EN_A43200)	S1_002	Distributed Antena Systems stabilization effort	Add additional budget to stabilize the legacy Distributed Antenna System (DAS) in KCCF/KCCH.	Direct Service Changes	590,000	590,000	0.00	0.00	0
123	EN_A43200	KCIT SERVICES (EN_A43200)	S1_004	TLT Budget to support the existing program (DCHS BHRD program) and capital projects	Add TLT Budget to support the DCHS BHRD program and the KCIT Teams Shared Device replacement project.	Technical Adjustments	870,000	870,000	0.00	0.00	0
123	EN_A43200	KCIT SERVICES (EN_A43200)	S1_005	Technical adjustment to correct the 2025 Budget	Add funding for a one-time salary and benefit adjustment to correctly reflect the 2023-2024 CP2 labor settlement.	Technical Adjustments	1,800,000	0	0.00	0.00	1,800,000
Grand Total for Report							243,390,966	34,456,126	18.00	1.00	208,934,840

2025 General Fund (10) Financial Plan (in millions)
Summary includes Inmate Welfare (16) and Goat Hill Garage Operations (1415) subfunds as reported in ACFR

	2023-2024 Actuals	2025 Adopted	2025 Current Budget	2025 Biennial-to- Date Actuals	2025 Estimated	2026-2027 Proforma	2028-2029 Projected
1 BEGINNING FUND BALANCE	291.8	189.7	294.8	294.8	294.8	118.6	(92.8)
3 REVENUES*							
4 Property Tax*	825.9	430.6	430.8	23.5	430.8	890.1	925.4
5 Sales Tax*	387.9	197.3	195.4	15.1	195.4	402.5	423.9
6 Federal Revenue	151.8	16.0	9.2	(3.6)	9.2	16.5	16.5
7 State Revenue	56.6	24.6	24.6	2.8	24.6	51.2	51.5
8 Fines, Fees, Transfers	186.9	115.7	115.7	12.9	115.7	186.3	188.6
9 Charges for Services	661.6	366.1	366.1	49.0	366.1	755.6	800.2
10 Other Taxes	11.8	6.3	6.3	0.7	6.3	11.2	9.6
11 Interest	84.7	21.3	21.3	1.3	21.3	45.7	39.3
13 General Fund Revenues	2,367.1	1,177.9	1,169.3	101.6	1,169.3	2,359.1	2,455.1
15 EXPENDITURES							
16 Justice and Safety	1,681.1	900.6	900.6	221.7	900.6	1,910.9	2,035.1
17 Administration/General Government	431.7	249.8	249.8	53.0	249.8	426.3	453.8
18 Public Health	80.6	20.5	20.5	4.7	20.5	41.1	43.7
19 Debt Service	45.7	40.1	40.1	1.3	34.0	93.9	100.7
20 Elections	57.1	31.5	31.5	7.5	31.5	58.2	61.7
21 Human Services	58.9	22.3	22.3	2.5	22.3	38.6	27.1
22 Physical Environment	21.0	19.7	19.7	2.5	19.7	31.5	33.6
23 Supplementals/Carryover/Reappropriations	0.0	0.0	0.0	0.0	92.8	16.3	17.0
25 Underexpenditures*	0.0	(25.5)	(25.5)	0.0	(25.5)	(51.6)	(54.6)
27 General Fund Expenditures	2,376.1	1,259.0	1,259.0	293.2	1,345.7	2,565.3	2,718.1
28							
29 Other Fund Transactions *	(12.7)	5.2	5.2	0.0	0.0	5.2	10.5
31 Ending Fund Balance	294.8	103.4	200.0	103.2	118.5	(92.8)	(366.2)
33 DESIGNATIONS AND SUBFUNDS *							
34 Designations	3.5	3.3	3.3	3.3	3.3	2.9	2.5
35 Subfund Balances	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36 EXPENDITURE RESERVES							
37 Carryover and Reappropriation	10.3	5.2	5.2	5.2	5.2	10.5	10.5
38 Credit Rating Reserve*	4.3	4.9	4.9	4.9	4.9	6.1	7.3
39 Executive Contingency	0.1	0.1	0.1	0.1	0.1	0.1	0.1
40 South Park Bridge Post Annexation Operations	0.0	0.0	0.0	0.0	0.0	0.0	2.0
44 Trial Court Improvement Account Reserve	1.1	1.4	1.4	1.4	1.4	2.0	2.6
47 Risk Reserve*	165.1	21.7	118.3	36.9	36.9	11.9	10.1
49 Reserves	184.4	36.6	133.1	51.9	51.7	33.4	35.0
51 Ending Undesignated Fund Balance*	110.4	66.8	66.8	51.3	66.7	(126.2)	(401.2)
53 6% Undesignated Fund Balance Minimum	52.8	50.1	50.1	50.1	50.0	51.3	53.4
55 Over/(Under) 6% Minimum	57.6	16.7	16.7	1.2	16.7	(177.5)	(454.6)
57 Over/(Under) 8.0%	40.0	(0.0)	0.0	(15.5)	0.0	(194.6)	(472.4)
Rainy Day Reserve	26.2	27.0	27.0	27.0	27.0	28.6	30.4

2025 General Fund Financial Plan Footnotes

- 2023-2024 Actuals reflects total biennial revenues and expenditures through 12/31/2024.
- 2025 Adopted Budget is consistent with the budget system of record (PBCS).
- Revenue estimates for 2025 - 2029 are based on forecasts adopted by the Forecast Council or interim forecasts published by the Office of Economic and Financial Analysis (OEFA), whichever have been most recently updated, and revenue estimates provided by General Fund appropriation units. The percentages below are the expected percent change over the prior budget cycle.

	2025	2026-2027	2028-2029
Property Tax	As Adopted	3.4%	4.0%
Sales Tax (including sales tax dedicated to criminal justice)	As Adopted	2.0%	5.3%
All Other*	As Adopted	-3.0%	3.7%
Blended Revenue Growth Rate	As Adopted	0.1%	4.1%

*Other revenues are projected to fall in 2026 due to federal COVID relief ending.

- Property Tax forecasts for 2025 - 2029 are based on the March 2025 OEFA forecast adopted by the Forecast Council and assume the current property tax structure and a collection rate of 100%.
- Sales Tax forecasts for 2025 - 2029 are based on the March 2025 forecast provided by OEFA.
- Expenditure estimates for 2026-2027 and 2028-2029 are based on the following assumptions. The percentages indicate the expected percentage change over the previous budget cycle.

	2025	2026-2027	2028-2029
CPI (Seattle July to June CPI-U)	As Adopted	7.3%	6.9%
Blended Labor	As Adopted	4.4%	5.5%
Operating GF Transfers	As Adopted	4.4%	5.5%
Blended Operating Growth Rate	As Adopted	7.0%	7.5%

- CIP General Fund Transfer budget and outyear assumptions (in millions)

	2025	2026-2027	2028-2029
Building Repair and Replacement	1.7	2.0	2.1
GF-backed IT Projects	2.4	2.0	2.1
Expenditure of Designated Fund Balance	-	-	-
Total	4.1	4.0	4.3

- The debt service schedule for 2025 - 2029 is based on the following table (in millions):

Debt Service Elements	2025	2026-2027	2028-2029
Existing Debt Issues	31.8	51.1	45.4
New Debt Issuance	1.7	40.3	50.8
Debt contingency for new issues and variable rate	0.5	2.5	4.5
Total Debt Service	34.0	93.9	100.7

Based on current projections, projected debt service expense will not exceed the County's policy that debt service should be less than 6% of General Fund expenditures.

- The 2025 Adopted Budget includes vacancy assumptions in the majority of General Fund operating budgets. This is budgeted directly in appropriation units. An additional underexpenditure assumption of \$25.5 million is included in the annual budget, reflecting an assumed \$20.3 million in actual underexpenditures and a reappropriation of \$5.2 million into 2026-2027.
- Designations and subfund balances include the following for each of the years (in millions):

	2025	2026-2027	2028-2029
Loans	0.0	0.0	0.0
Assigned for Capital Projects	0.0	0.0	0.0
Crime Victim Compensation Program	0.7	0.7	0.7
Drug Enforcement Program	1.4	1.4	1.4
Anti-Profitteering Program	0.1	0.1	0.1

2025 General Fund Financial Plan Footnotes

Dispute Resolution	0.0	0.0	0.0
Wheelchair Access	1.0	0.6	0.2
Total*	3.3	2.9	2.5

*Totals may not match financial plan exactly due to rounding

- The Credit Rating Reserve dedicates fees collected from other county funds to increase fund balance and maintain the county's bond rating. Other funds that have issued debt and benefit from the county's bond rating through lower interest contribute to this reserve based on the amount of outstanding principal on LTGO debt. 35% of the Credit Enhancement Fee is placed in this reserve. The goal for this reserve is to reach 1% of total outstanding GO debt backed by the full faith and credit of the General Fund.
- The Risk Reserve sets aside fund balance to mitigate known and unknown risks.
- County policy requires undesignated fund balance of 6%-8% of certain revenues. Per county policy, the county will strive to maintain reserves in times of economic prosperity to offset times of declining revenue.



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	6	Name:	Jenny Giambattista and Andy Micklow
Proposed No.:	2025-0129	Date:	June 11, 2025

SUBJECT

Proposed Ordinance 2025-0129 would increase the monthly sewer rate effective in 2026 to \$62.66. The proposed ordinance would also set the monthly capacity charge for new connections to the regional system occurring in 2026 at \$77.99.

SUMMARY

The sewer rate is the primary funding source of the Wastewater Treatment Division (WTD). The monthly sewer rate collected by the County goes to support all WTD expenses, including operating costs, debt service, and capital expenses. Proposed Ordinance 2025-0129 would increase the monthly sewer rate effective in 2026 by 7.5 percent from \$58.28 to \$62.66. This increase is 0.5 percent higher than what was projected as part of the forecast for the 2025 rate. The 2026 proposed sewer rate is projected to generate \$592 million in revenue in 2026.

Beyond the 2026 rate, the proposed 10-year sewer rate forecast reflects substantive changes compared to the prior rate forecast. The 2026 10-year capital forecast is \$3.1 billion greater than the prior 10-year forecast, and the rate projection reflects this increased capital forecast with higher than previously projected rates for 2027-2031. WTD reports that most of this increase compared to the prior forecast is due to the updated cost estimates and newly finalized completion dates for projects included in the Combined Sewer Overflow (CSO) Consent Decree as well as cost increases for other projects. With this new forecast, regulatory capital projects are projected to make up 52 percent of the 10-year capital forecast. A challenge for WTD as it implements this capital program is that many projects must be done concurrently and are costly and complex. The forecast also includes a revised approach to forecasting capital expenditures, which tries to take into consideration the complexity of the projects, the capacity to deliver the projects, and legally required timelines.

As part of the 2026 rate proposal process, WTD has extended the sewer rate forecast to 20 years through 2045, and this extended forecast shows annual increases ranging from 0.5 percent to 4.5 percent. WTD reports that this second decade of the forecast has significant uncertainty.

The proposed ordinance would also set the capacity charge for new connections to the regional system occurring in 2026 at \$77.99 per Residential Customer Equivalent (RCE) per month, a 2.5 percent increase over the 2025 monthly charge of \$76.09. The capacity charge is expected to generate approximately \$105 million in revenue for 2026.

The schedule for Council consideration is listed below:

- Transmittal of Sewer Rate— April 24
- Budget and Fiscal Management Committee—Discussion only May 28 and Discussion/Possible Action —June 11
- Briefing only at Regional Water Quality Committee (RWQC)—May 7 and June 4
- Council consideration/action—June 17 or, if needed June 24 as emergency, assuming action by BFM on June 11
- Approval date requirement for sewer rate—June 30 (Prior to July 1)

Both RWQC and Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) have sent comment letters (Attachments 8 and 9) to the King County Council on the proposed rate.

Information added to this staff report since the first committee meeting is included in blue font.

Links are provided below to the topics discussed in this staff report.

- [Background](#)
 - [Sewer rate](#)
 - [Capacity charge](#)
 - [Combined Sewer Overflows \(CSOs\)](#)
 - [Required transmittal information](#)
 - [Recent RWQC and Council legislation related to sewer rate and capacity charge](#)
- [Analysis of the proposed sewer rate and 10-year forecast](#)
 - [Comparing 2025 and 2026 10-year forecasts](#)
 - [New, second decade forecast](#)
 - [Capital expenditure forecast](#)
 - [Updated approach to developing a capital forecast](#)
 - [Capital expenditures by category](#)
 - [Regulatory projects](#)
 - [CSO costs, including MDCSO](#)
 - [Nutrient reduction projects](#)
 - [Other large CIPs](#)
 - [Forecasted capital expenditures versus actual expenditures](#)
 - [Comparison of 2026 10-year capital forecast to prior capital forecast](#)
 - [Capital Improvement Program funding](#)
 - [Operating expenditures](#)
 - [Rate smoothing](#)
- [Capacity Charge](#)
- [RWQC comment letter](#)
- [MWPAAC comment letter](#)

- [Contaminants of emerging concern-costs](#)
- [Questions and Answers from May 28, 2025 BFM Meeting](#)
- [Appendix 1: Summary of WTD's Updated Approach to Developing Capital Expenditure Forecast](#)

Updates to this staff report from the May 25th BFM meeting are in blue.

BACKGROUND

The regional wastewater system is almost entirely funded by the monthly sewer rate and the capacity charge.

Monthly Sewer Rate Charged to Local Sewer Agencies. The sewer rate is WTD's primary funding source. The monthly sewer rate collected by the County goes to support all Wastewater Treatment Division (WTD) expenses, including operating costs, debt service, and capital expenses. The sewer rate is charged by the County to the utilities that deliver wastewater to the County for treatment and discharge. The monthly sewer rate charged by WTD is a wholesale rate and is billed to local sewer agencies, not ratepayers. The local utility providers, as direct service providers, set their own rates to recoup the payments required by the County plus their own "local" cost of service. The local agency sends the sewer customers the sewer utility bill.

Single-Family versus Volume-Based (Commercial, Multifamily, Industrial). Since the formation of Metro, and as directed in King County Code¹ and all 34 local sewer contracts, King County has had a sewer rate structure that is based on two different classes of customers: single-family and volume-based. The fee structure, as specified in code and contract relies on a billing unit referred to as "Residential Customer Equivalent (RCE)" to charge the two customer classes and determine how costs are shared between the classes. One RCE unit is 750 cubic feet of wastewater and represents the assumed wastewater a single-family home would generate in a month based on flow data from 1989. Single-family homes are charged one RCE. Volume-based customers are converted to an RCE unit by taking the monthly volume of water used by the customer and dividing it by 750 cubic feet (cf) of wastewater (the "conversion factor"). This results in a usage amount for volume-based customers reported in RCEs.²

Using the Number of RCEs to Calculate the Monthly Rate. WTD estimates the total number of RCEs for a given year and then divides the total projected amount of revenue required (from sewer rates) by the number of RCEs to get the cost per RCE. King County then charges local sewer agencies the monthly sewer rate for each RCE in their utility.

Allocating the Sewer Rate Cost Burden Between the Single-Family Sector and the Commercial/Industrial/Multifamily Sector. The 2021-2022 Adopted Biennial Budget

¹ KCC 28.86.186 Financial Policy 15

² Industrial users pay an additional fee beyond the monthly sewer rate. These fees help the King County Industrial Waste Program recover the costs associated with monitoring and administering the pretreatment program.

Ordinance includes a proviso³ requesting a study on the shift of the sewer rate cost burden to the single-family sector from the commercial/industrial/multifamily sector. The report, *Sewer Rate Cost Structure*⁴, concluded that since the water consumption assumption for the single-family home is fixed at the 1989 level, the current rate calculations likely attribute too much water flow to single-family residences, which, due to conservation efforts, have seen significant declines in water use over the years. As a result, single-family residences likely end up with a disproportionate share of the total cost. While the report does discuss updating the water consumption assumptions (RCE) for single-family homes, any change to the RCE calculations would require changes to the King County Code and amendments to each of the 34 local sewer contracts.

Customer Affordability to be Considered During RWSP Update. As discussed later in this staff report, WTD is updating the long-term Regional Wastewater Services Plan. As identified in the [scope](#) and [charter](#) documents, the update to the RWSP will address issues related to rate structure, customer affordability, and rate equity. Rate structure and rate equity policies include things like sizing the RCE and whether to maintain a single uniform sewer rate per RCE or consider alternative cost recovery rate structures. The charter specifically identifies considering "relief strategies for low-income households who are mostly likely to struggle to pay essential living expenses." WTD anticipates completing any new or updated financial policies in 2028.

Historical Sewer Rate. Table 1 depicts the anticipated sewer rates through 2028. Historically, rates have been structured effectively as biennial rates, with rate adjustments in alternating years. In 2021, after engagement with cities and sewer districts through the Metropolitan Pollution Abatement Advisory Committee (MWPAAC), the Executive recommended annual rather than biennial adjustments to sewer rates.

³ Ordinance 19210, Section 112, Proviso P3

⁴ See Attachment A to Motion 16006 [Sewer Cost Structure Report](#)

Table 1.⁵
Sewer Rate (2009-2025 Actual; 2026 Proposed; 2027-2029 Projected)

Year(s)	Rate (\$/RCE/ Month)	% Increase
2009	\$31.90	14.10%
2010	\$31.90	0.00%
2011	\$36.10	13.20%
2012	\$36.10	0.00%
2013	\$39.79	10.20%
2014	\$39.79	0.00%
2015	\$42.03	5.60%
2016	\$42.03	0.00%
2017	\$44.22	5.20%
2018	\$44.22	0.00%
2019	\$45.33	2.50%
2020	\$45.33	0.00%
2021	\$47.37	4.50%
2022	\$49.27	4.00%
2023	\$52.11	5.75%
2024	\$55.11	5.75%
2025	\$58.28	5.75%
2026	\$62.66	7.50%
2027	\$70.65	12.75%
2028	\$79.66	12.75%
2029	\$90.42	13.50%

Capacity Charge Billed to New Customers by King County. Since 1990, a capacity charge has been levied for new connections to the sewer system. The purpose of the capacity charge is to ensure that new customers pay the "growth" costs of expanding the wastewater system. The current version of the charge started with the Robinswood Agreement⁶ and the principle of "growth pays for growth."

⁵ 2025 Sewer Rate Technical Memo, page 30

⁶ In 1998, the King County Executive and RWQC held a retreat at the Robinswood Conference Center in Bellevue, Washington to discuss funding the Regional Wastewater Services Plan. The points of the agreement are collectively known as the "Robinswood Agreement." The principle that "growth pays for growth" is the cornerstone of the Robinswood Agreement.

County financial policies require new customers to pay their proportional share of these costs. Financial Policy 15 states: "The capacity charge shall be set such that each new customer shall pay an equal share of the costs of facilities allocated to new customers, regardless of what year the customer connects to the system."

The capacity charge is a one-time development charge, much like a new development fee or impact fee. However, state statute⁷ does not allow the County to require up-front payment of the capacity charge by the developer. Unless a developer voluntarily pays the capacity charge, it becomes an additional cost that buyers will encounter when purchasing properties with new sewer connections. It can be paid as a total payment up-front with a discount or as a monthly charge amortized over 15 years. If a buyer purchases property with an outstanding capacity charge, the new buyer becomes responsible for the capacity charge payments. Unlike the wholesale sewer rate, the capacity charge is billed directly to customers by King County.

Affordability Concerns with Capacity Charge. After hearing from many customers that the capacity charge can be unaffordable and impacts the extensive affordable housing challenges in King County, WTD initiated research to identify affordability challenges for its capacity charge customers and evaluate possible mitigating strategies. In 2019, WTD published a consultant report titled ["Capacity Charge Affordability Analysis and Findings."](#)

WTD implemented the following recommendations from this report:

1. Expanded payment plan opportunities for customers with temporary financial hardship.
2. Equity payment plan: expanded property lien opportunities for customers with ongoing inability to pay.
3. Expanding discounts for long-term covenanted affordable housing projects.

Recent Changes to the Capacity Charge Rate Structure. Since the early 1990s, the County has established separate classifications of customers and charged those customers based on an RCE calculation. In 2017, WTD initiated a study of the capacity charge rate structure given the changes that are occurring in terms of types of development and housing stock. The Metropolitan Water Pollution Abatement Advisory Committee (MWPAAAC) created a capacity charge rate structure workgroup to provide technical expertise to the County on the rate study and make any recommendations to WTD. A key recommendation of the workgroup was that capacity charge customer classifications should bear a close relationship with the average persons per household for each customer class.

In January 2021, the King County Council adopted Ordinance 19153, which revised the financial policies to restructure the capacity charge to align amounts charged according to size and type of housing⁸ as a proxy for the average number of persons accommodated by the housing type. Commercial connections continue to pay based on the number of

⁷ RCW 35.58.570

⁸ The RCEs assigned to single-family homes is based on size: small (<1,500 sq. ft. = 0.81 RCE), medium (1,500 – 2,999 sq. ft.= 1 RCE), and large (>3,000 sq. ft. = 1.16 RCE). Multi-family structures are billed by unit at 0.81 RCEs for two to four units and 0.64 RCEs for five or more units. Commercial structures are billed based on fixture counts and/or flows.

fixtures⁹, and discounts continue for low-income housing. These changes did not impact the methodology used to determine the total costs of growth.

Update to Projected Customer Numbers and Projected Capital Costs. The Regional Wastewater Services Plan (RWSP), which covers the period of 2003 through 2030, is the comprehensive plan for regional wastewater services and serves as the basis for projecting the number of customers, capital projects needed for capacity, and financial assumptions for the capacity charge. K.C.C. 28.86.160 requires an update of customer numbers and projected capital costs used to calculate the capacity charge every three years. The last capacity charge update occurred in 2024 and covers the capacity charge calculations for 2025 and 2026. WTD reports that the required capacity charge update will not be possible after 2030 without an updated RWSP because the capacity charge methodology in code is tied to the life of the RWSP, which currently extends through 2030.¹⁰ WTD reports that an updated methodology is anticipated to be in place ahead of the next three-year update cycle.

Improving the Capacity Charge Methodology for Determining "Growth Pays for Growth." The policies to determine how growth costs should be determined and allocated are in King County Code (K.C.C. 28.86.160(C) FP-15(4)). Here's how it works at the simplest level:

1. Growth-related costs are identified.
2. Monthly sewer rate revenue from "new customers" is calculated.
3. The capacity charge is set to cover any shortfall.

A 2016 Auditor's report¹¹ found that the model that calculates the annual amount of the capacity charge is highly complex, not transparent, not independently verifiable, and susceptible to errors. Furthermore, the audit found that some of the financial policies related to the capacity charge need clarification. The Executive concurred with almost all the audit findings and recommendations and noted that the desire for a simpler capacity charge approach is a long-held goal of WTD.

In 2020, WTD engaged a consultant to develop a new model approach that is simpler and reflects current industry standards. In 2021, WTD briefed MWPACC on the consultant's findings in a series of meetings. Later that year, WTD paused work on the capacity charge methodology review. WTD reports that in 2024 it requested that the consultant resume its work on revising the methodology for the capacity charge. WTD has begun to engage with MWPAAC on this effort and has received feedback from MWPAAC on the initial analysis. WTD will now develop preliminary estimates for future system growth and related capacity needs and use these preliminary estimates to calculate a new capacity charge using the proposed methodology. The results will be reviewed with the MWPAAC workgroup sometime in 2025. [The anticipated schedule for RWQC review has been moved from 2025 to sometime in the first or second quarter of 2026.](#) At that time, WTD will present the proposal to RWQC and draft policies to amend the code accordingly. Any changes to the capacity charge financial policies would have to be approved by the King County Council.

⁹ The commercial capacity charge structure also has an add-on category for non-fixture unit estimated flows where applicable to add the fixture unit RCE calculation.

¹⁰ See Subsection 3.a. of Financial Policy 15 in 28.86.160C.3(a)

¹¹ [Wastewater Capacity Charge: Unclear Whether Growth Is Paying for Growth](#)

Combined Sewer Overflows. WTD has been implementing King County's Combined Sewer Overflow (CSO) program for over three decades to control the County's CSO outfalls to the Washington State standard of no more than one untreated CSO discharge per year on a 20-year average. WTD reports it has spent over \$1 billion on CSO control since the early 1990s.

In 2013, King County entered into a federal consent decree to complete its CSO control projects in compliance with the federal Clean Water Act by December 31, 2030. In mid-2024, King County, Ecology, and the EPA reached an agreement in principle on the First Material Modification to 2013 Consent Decree on Combined Sewer Overflow (CSO), which extends the compliance milestones for the remaining CSO control projects and extends the overall compliance schedule from 2030 to 2037. WTD had assumed 2040 as a representative end date for CSO project completion since the 2022 sewer rate proposal.

With the adoption by Council of the modified consent decree in July 2024, WTD changed the CSO project completion date assumption in the rate forecasts to 2037. This means all but the final year of costs are now included in the ten-year forecast. The cost implications of this will be discussed later in the analysis section of the staff report.

Past CSO expenditures. Since the 2013 consent decree, the following completed CSO projects have cost an estimated \$538 million:

- Ballard Siphon
- North Beach Wet Weather Storage
- Murray Pump Station Upgrade
- Barton Pump Station Upgrade and Green Stormwater Infrastructure
- South Magnolia
- Rainier Valley Storage
- Georgetown Wet Weather Storage

The following additional projects are under way with an estimated \$206M spent to date:

- Ship Canal Water Quality Project
- West Duwamish Wet Weather Storage
- Elliot West Wet Weather Treatment Station Upgrade
- Mouth of Duwamish CSO Control Program

Regional Wastewater Services Plan. The Regional Wastewater Services Plan (RWSP) was adopted by Ordinance 13680 in November 1999 to ensure the continuation of high-quality wastewater treatment services through 2030. The RWSP is codified in King County Code Section 28.86.010 and 28.86.040 through 28.86.150. The RWSP outlines programs and projects through 2030 to increase wastewater system capacity and function; gives guidance on recovering and recycling beneficial resources from the wastewater treatment process; and provides direction on protecting and monitoring water quality and meeting permit conditions.

Many of the major projects outlined in the RWSP have been completed as the plan reaches the end of its intended planning period of 2030. WTD has re-launched¹² a planning effort to update the Regional Wastewater Services Plan. The RWQC expressed support for the [scoping document](#) and [charter](#) for the RWSP update. Both documents identify policy issues to be addressed by the RWSP related to financial policies, treatment, resource recovery, asset management, separated system conveyance, CSOs, resiliency, pollution, resource recovery, and odor control.

Required Rate Transmittal Information. The financial policies listed below specify the contextual information that is to accompany the rate transmittal. WTD has prepared a technical memo (Attachment 4) with the required information that provides information on the revenues, expenditures, debt service, operations, and capital programs that inform the rate. Additionally, as required by Motion 16434, beginning with the 2025 sewer rate forecast, the technical memorandum submitted with the annual sewer rate needs to identify the cost of activities WTD has undertaken and plans to undertake to address contaminants.

Financial Policy-16¹³: The executive shall prepare and submit to the council a report in support of the proposed monthly sewer rates for the next year, including the following information:

Key assumptions: key financial assumptions such as inflation, bond interest rates, investment income, size and timing of bond issues, and the considerations underlying the projection of future growth in residential customer equivalents.

Significant financial projections: all key projections, including the annual projection of operating and capital costs, debt service coverage, cash balances, revenue requirements, revenue projections and a discussion of significant factors that impact the degree of uncertainty associated with the projections.

Historical data: a discussion of the accuracy of the projections of costs and revenues from previous recent budgets, and

Policy options: calculations or analyses, or both, of the effect of certain policy options on the overall revenue requirement. These options should include alternative capital program accomplishment percentages (including a ninety percent, a ninety-five percent, and a one hundred percent accomplishment rate), and the rate shall be selected that most accurately matches historical performance in accomplishing the capital program and that shall not negatively impair the bond rating.

Timing of Rate Adoption. By contract with partner cities and sewer districts, the County is to complete its consideration of the sewer rate for the following year by July 1 of each year.

Recent RWQC and Council Legislation Related to Sewer Rate and Capacity Charge.

¹² The process to update the RWSP started in 2019 as the Clean Water Plan, which WTD paused at the end of 2021 to consider feedback it had received. The planning process restarted in 2024.

Motion 16410 Long-term Capital Forecast. The motion requests WTD research and identify methodologies to forecast the long-term costs of its capital improvement needs. The motion requested that the recommended methodologies should allow for forecast periods of up to 75 years and should also allow for changes in various assumptions, including growth capacity and known and projected regulatory requirements, such that forecast scenarios can be compared using different assumptions. The report on the long-term methodology was completed by a firm specializing in providing financial and management consulting expertise to local utilities.

Motion 16449 Long-term Rate Forecast. In October 2023, the Council adopted Motion 16449, requesting WTD develop and maintain a long-term financial and sewer rate forecast. The motion specifies that the forecast should be based on revenue requirements needed for the operating and capital investment needs of the regional wastewater system and allow for forecasting periods of up to 75 years. The motion intended to allow for the comparison of forecast scenarios using different assumptions.

On June 4, 2025, RWQC was briefed on the progress in developing a long-term financial and sewer rate forecast, and as requested by the motion, WTD will brief RWQC in July 2025 on the Division's long-term financial and sewer rate forecast.

RWQC Resolution 2024-01. In April 2024, RWQC adopted a resolution expressing RWQC's interest in the sewer rate and capacity charge and requesting the Metropolitan Water Pollution Abatement Advisory Committee continue performing a technical review of the annual sewer rate and capacity charge. The resolution states the RWQC may choose, upon its policy review of the proposed annual sewer rate and capacity charge and the Metropolitan Pollution Abatement Advisory Committee recommendations, to convey its policy recommendations on the proposed sewer rate and capacity charge to the King County council. (Please see Attachment 9 for RWQC's recommendation letter.)

ANALYSIS

Proposed Ordinance 2025-0129 (Attachment 1) would adopt the 2026 sewer rate and capacity charge. It would increase the monthly sewer rate effective in 2026 by 7.5 percent from \$58.28 to \$62.66. The proposed ordinance would also set the capacity charge for new connections to the regional system occurring in 2026 at \$77.99 per Residential Customer Equivalent (RCE) per month, a 2.5 percent increase over the 2025 monthly charge of \$76.09.

The first part of this analysis section will discuss the **Sewer Rate** and the key assumptions and changes influencing the proposed rate and the forecast. The [Capacity Charge](#) is discussed later in the staff report.

Comparing 2025 and 2026 10-Year Sewer Rate Forecasts. As shown in Tables 2 and 3, the proposed 2026 rate is only .05 percent higher than was forecast in the prior forecast even though, as will be discussed later in the staff report, expenditures are increasing significantly over the forecast period. This relative consistency in the rate projection from the prior year reflects the Executive's policy decision to maintain predictability from the prior year's forecast. This is possible because WTD sets its cash revenue (rate) requirements based on a 10-year average over the forecast period, which allows WTD to make adjustments to the annual rates.

As shown in Tables 2 and 3, the 2026 rate forecast projects significantly larger rate increases when compared to the prior forecast for 2027 through 2031. In the final years of the 2026 10-year forecast, the rate increases are smaller than the prior forecast. As will be discussed later in this staff report, the projected sewer rate increases over the forecast period are primarily driven by the increasing capital portfolio of projects and the need for cash to fund capital projects and pay new and existing debt services.

Table 2.¹⁴
Proposed 2026 Sewer Rate and Forecast

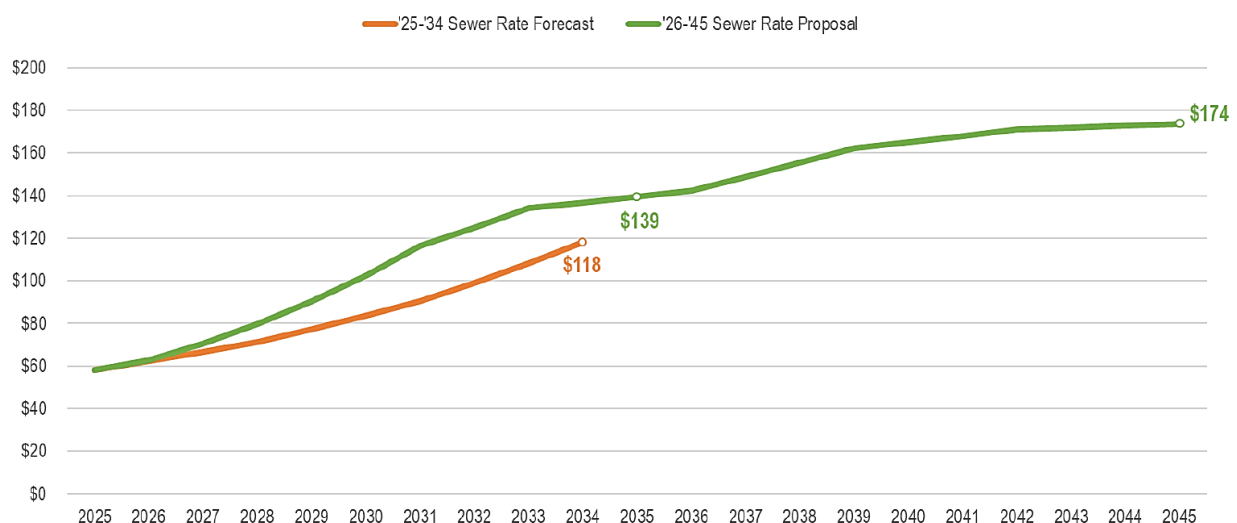
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Increase %	5.75%	7.50%	12.75%	12.75%	13.50%	13.50%	13.50%	7.25%	7.25%	2.00%	2.00%
Monthly Sewer Rate	\$58.28	\$62.66	\$70.65	\$79.66	\$90.42	\$102.63	\$116.49	\$124.94	\$134.00	\$136.68	\$139.42
Rate Increase \$	\$3.17	\$4.38	\$7.99	\$9.01	\$10.76	\$12.21	\$13.86	\$8.45	\$9.06	\$2.68	\$2.74

Table 3.¹⁵
Adopted 2025 Sewer Rate and Forecast

2025-2034 Rate Forecast	Adopted										
2025 Adopted Sewer Rate	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Increase %	5.75%	7.00%	7.00%	7.00%	8.25%	8.25%	8.25%	9.25%	9.25%	9.25%	
Monthly Sewer Rate	\$58.28	\$62.36	\$66.73	\$71.41	\$77.31	\$83.69	\$90.60	\$98.99	\$108.15	\$118.16	
Rate Increase \$	\$3.17	\$4.08	\$4.37	\$4.68	\$5.90	\$6.38	\$6.91	\$8.39	\$9.16	\$10.01	

The increase in rates in the 2026 10-year forecast compared to the 2025 forecast are also shown in Figure 1, Sewer Rate Path.

Figure 1.¹⁶
Sewer Rate Path



¹⁴ 2025 Sewer Rate Technical Memo, page 5

¹⁵ 2025 Sewer Rate Technical Memo, page 5

¹⁶ WTD [Presentation](#) to MWPAAC Rates & Finance Subcommittee, March 6, 2025

Second Decade Forecast. As shown in Figure 1 and Table 4, the 2026 sewer rate forecast includes, for the first time, an extension of the forecast period by an additional ten years. Motion 16449 requests WTD develop a rate forecast for up to 75 years and the final deliverable is due in July 2025. Since the development of the long-term forecast aligned with the 2026 rate transmittal, WTD has included the second decade of the forecast in this transmittal.

Table 4.¹⁷
2036-2045 Rate Forecast

	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Rate Increase %		2.00%	4.50%	4.50%	4.50%	1.75%	1.75%	1.75%	0.50%	0.50%	0.50%
Monthly Sewer Rate		\$142.21	\$148.61	\$155.30	\$162.29	\$165.14	\$168.03	\$170.98	\$171.84	\$172.70	\$173.57
Rate Increase \$		\$2.79	\$6.40	\$6.69	\$6.99	\$2.85	\$2.89	\$2.95	\$0.86	\$0.86	\$0.87

As shown in Table 4, the second decade of the 2026 forecast reflects a reduction in capital expenditures expected in the second decade compared to the first ten years, including no regulatory expenditures projected beyond 2037. WTD reports that this second decade's forecast has significant uncertainty. There are currently no regulatory costs projected beyond 2037 or, as WTD notes, costs related to contaminants of emerging concern or nutrient removal costs beyond the first permit.

Capital Forecast Continues to Project Significant Growth. With every rate proposal, WTD updates its 10-year forecast of capital expenditures. The 2026-2035 total capital forecast is \$11.4 billion. As WTD reports, the CIP projection reflects the challenge of a "stacking" problem of multiple, large problems needing to happen at the same time.

This section of the staff report discusses the approach to developing the capital forecast, categories of capital projects, comparisons to the prior 2025 10-year forecast, and funding for capital expenditures.

Updated Approach to Developing Capital Expenditure Forecast. Capital forecasts are necessary to determine the amount of funding (cash and debt) needed to pay for the CIP and directly impact the 10-year forecast. With the 2026 10-year rate forecast, WTD has updated its approach to forecasting capital expenditures. The new approach tries to take into consideration the complexity of the projects, the capacity to deliver concurrent projects, historical accomplishment rates, and legally required timelines.

As in the previous forecast, the method used for the 2026 forecast depends on whether it is a current, conceptual, or regulatory project. The 2026 10-year forecast includes changes to how capital forecasts are developed. The changes are discussed in [Appendix 1](#) of this staff report. In summary, the changes reflect that WTD anticipates being able to deliver more capital expenditures than forecast in the previous forecast.

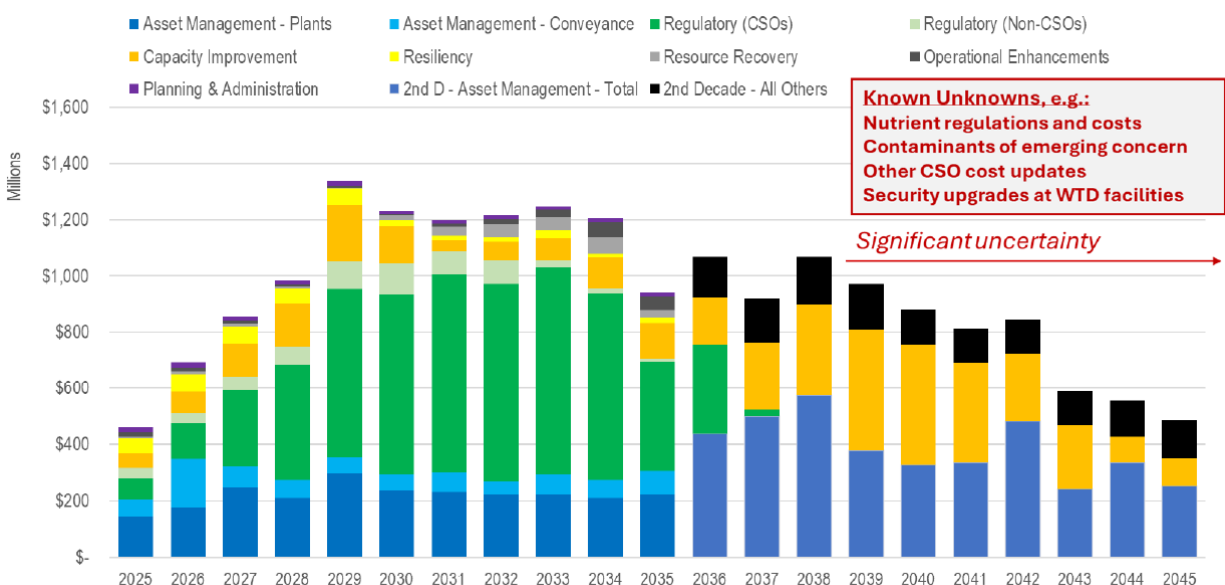
WTD reports that it will continue to evaluate the approach used to project capital expenditures. Given the significant growth of the capital program beyond what WTD has delivered in the past and the complexity of developing a forecast with so many variables,

¹⁷ 2025 Sewer Rate Technical Memo, page 5

Council may wish to encourage WTD to engage MWPAAC in an in-depth review of the method selected to forecast the amount of capital expenditures that will occur in each year of the forecast. While such a review would not be in time for the 2026 rate, it could help inform the 2027 rate and the remaining years of the 10-year rate projection.

Categories of Capital Expenditures. Figure 2 shows the expenditure categories that make up the capital forecast in 2026-2035. Regulatory compliance and capacity improvement projects are the largest categories of projects. As shown in Figure 2, regulatory compliance expenditures are projected to make up a growing share of the capital expenditures in this forecast.

Figure 2.¹⁸
CIP Components for 2026-2035 Financial Forecast

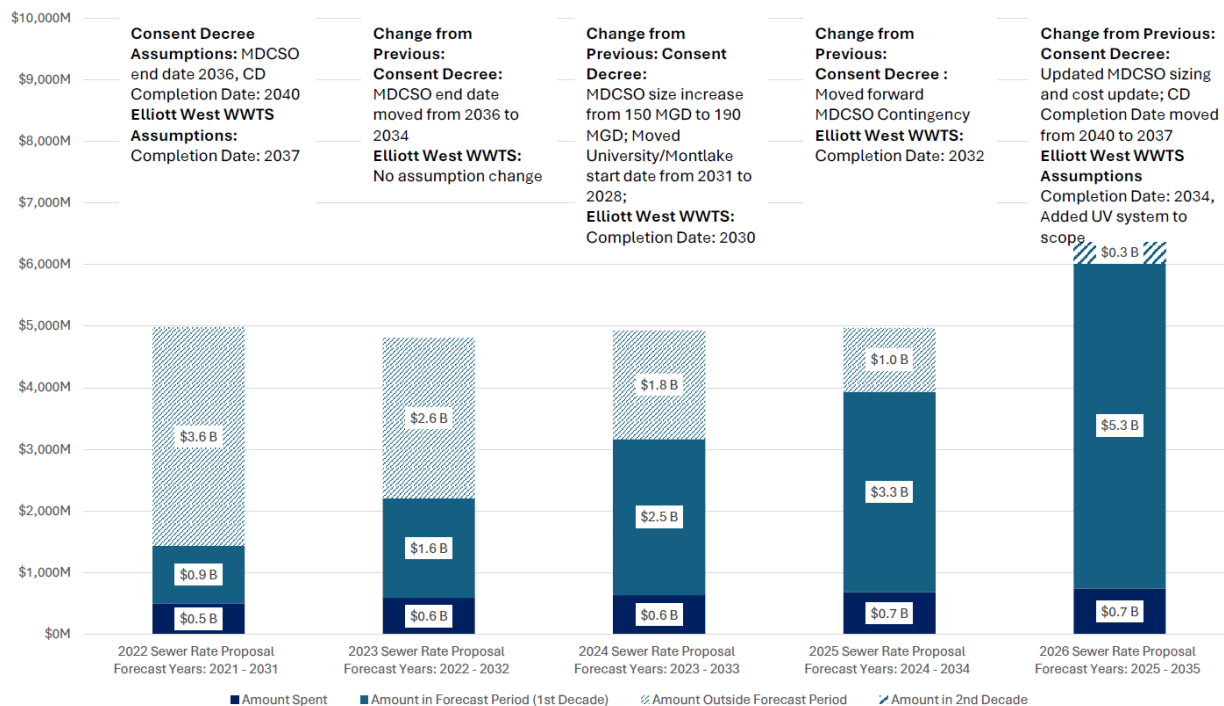


Regulatory Projects.

Modified Combined Sewer Overflow (CSO) Consent Decree Costs. When the Modified Consent Decree was adopted by the Council in July 2024 (Ordinance 19801), the total estimated cost range to complete the remaining projects was \$1.7 billion and \$4.9 billion. Now, with new cost estimates for the Mouth of Duwamish CSO, the completion date moved from 2040 to 2037 for other CSOs, and a new year in the forecast period (2035), cost estimates in this forecast period are \$2 billion higher than in the 2025 sewer rate proposal with forecast years 2024-2034. Figure 3 shows the increasing CSO costs in the rate forecasts over the last five rate forecasts.

¹⁸ 2025 Sewer Rate Technical Memo, page 17

**Figure 3.¹⁹
Evolving CSO Costs in Rate Forecasts**



According to WTD, the 2026 Sewer Rate Forecast CIP includes \$4 billion (escalated) to complete the four projects underway – Ship Canal Water Quality Project, West Duwamish, Mouth of Duwamish (MDCSO), and Elliott West. University and Montlake CSO control projects are not yet in delivery. Early planning activities are underway as WTD prepares to charter these projects in late 2026. Planning-level estimates for University and Montlake projects are \$1.5 billion (escalated) in the 2026 Sewer Rate Forecast CIP. Council staff have asked for information on when those cost estimates were last updated beyond the standard inflation factor applied to all projects.

The Consent Decree additionally requires supplemental compliance activities for projects that were completed but have not brought an outfall into control. WTD currently has supplemental compliance plans for four uncontrolled outfalls. An estimated \$75 million (escalated) is forecast in the 2026 Sewer Rate Forecast CIP to bring these outfalls into control by 2037 based on early planning-level estimates.

Increasing MDCSO Costs. As part of the 2026 rate review, Council staff asked for information as to why the costs for the MDCSO²⁰ have significantly increased in this forecast when compared to the prior forecast and when compared to the information provided in the transmittal package the ordinance authorizing the modification of the CSO consent decree. WTD reports:

At the time of the Consent Decree modification process and the 2025 sewer rate process, only the earlier planning level estimates for MDCSO facilities were available. Prior to this year's rate development process, cost estimates for the set of MDCSO

¹⁹ Attachment 4: PowerPoint King County Wastewater Treatment Division 2026 Sewer Rate

²⁰ <https://kingcounty.gov/en/dept/dnrp/waste-services/wastewater-treatment/programs/mdcso>

projects reflected high-level planning work initially completed in 2018 for the CSO Long Term Control Plan, a study that looks at the entire combined system and identifies regulatory compliance needs. In 2022 and 2023, these cost estimates were revised to incorporate updated planning assumptions that factored into scope of facilities at chartering.

In 2023, the WTD MDCSO program team initiated the pre-design process to update the planning level cost estimate and inform the MDCSO Wet Weather Facilities Engineering Report, a document specific to these facilities and required by King County's Consent Decree with regulatory agencies. The Engineering Report reflects the effects of climate change which means larger projected storm volumes, higher design flows and larger facilities. The current cost estimate, produced in January 2025, also incorporates the effects of market conditions and scope definition refinements. It was developed consistent with the Association for Advancement of Cost Engineering International (AACE) methodology.

- Construction materials have increased up to 25-40 percent since 2020. Materials make up about 60 percent of construction costs, and about 30-40 percent of overall program costs.*
- Labor rates in the region increased by about 11 percent from 2022 to 2024. Conversations with contractors continue to reflect regional labor shortages for construction workers and engineering disciplines.*
- The large number of other similar construction projects in our region (WSDOT, Port of Seattle, City of Seattle, Sound Transit and others) has created a 'contractor's market' where bidders can choose the most attractive projects, decreasing competition and exacerbating upward pressure on project costs.*
- Ensuring regulatory compliance, including accounting for climate change, has led to a higher capacity treatment facility (190MGD to 240MGD) and larger storage volume for the Chelan tank (3MG to 7MG), compared to the earlier planning level estimate.*

High Level of Uncertainty in Cost Projection for MDCSO Projects. According to WTD, a major capital program like MDCSO with multiple projects of this scale and at this early phase inherently has uncertainties and risks better understood as the design is advanced. WTD reports that the risks will be managed throughout the Program²¹ life cycle. The cost estimate has been prepared by consulting firms with expertise in large capital projects. The current cost estimate (January 2025) for the MDCSO is an AACE (Association for Advancement of Cost Engineering International) methodology Class 5 estimate, with an expected accuracy range of -50% to +100% at this stage.

Given the significant cost of this project, WTD was asked by both MWPAAC and RWQC for additional information on steps WTD has taken to validate the cost estimate at this stage in the project. WTD reports:

A variety of double-checking steps have been taken (e.g., material cost benchmarking, quantity take-offs, historical comparisons, risk allocations and contingency) to validate the cost assumptions. The project team will also conduct a quantitative risk assessment in March 2025, to further refine risk and contingency allocations.

²¹ WTD refers to the MDCSO as a Program because of its size and complexity.

Proceeding along the AACE method helps to further refine the cost estimate and improve certainty. The following examples of verification are undertaken during the cost estimation process:

- *Internal QA/QC review: Ensures consistency with AACE methodology and incorporate WTD project development experience.*
- *Benchmarking against comparable projects: Includes construction benchmarks from current WTD construction projects, e.g., Georgetown Wet Weather Treatment Station and others. Indirect costs are consistent with peer agency wastewater treatment programs of similar scale.*
- *Market-based pricing validation: Utilizes contractor pricing models, quotes and commercially available cost data, and industry-specific cost trends.*
- *Estimate reconciliations: The MDCSO estimate is currently undergoing a reconciliation process where two cost independent estimates are compared by the project team and any differences discussed and reconciled for the selected alternative in the Engineering Report. As part of cost management best practices, additional independent review will occur as the program proceeds.*

Expenditure Schedule for MDCSO. As discussed later in the staff report, the capital expenditure forecast for MDCSO reflects the policy decision to assume that 100 percent of the costs for regulatory projects will be expended as required by regulation. As such, the MDCSO Program schedule is based on legal obligations to meet the modified consent decree deadlines and avoid penalties. Council staff asked how realistic the spending plan is for this project. WTD reports that the spending projections are considered realistic per the current phase of the Program and WTD Capital Project delivery practices when the forecast was developed. The spending forecast is based on an AACEi Class 5 Estimate that has a scope definition of approximately 2 percent. WTD reports it has resourced the Program with internal staff and consultants to meet the schedule. WTD is preparing for some contractor procurements in 2026 to meet the schedule. Other critical early work to advance the MDSCO projects will be property acquisition.

Nutrient Reduction Projects. According to the Department of Ecology, discharges of excess nutrients, particularly nitrogen, to Puget Sound from wastewater treatment facilities are contributing to existing low oxygen levels in Puget Sound. In 2022, the Department of Ecology issued the Puget Sound Nutrient General Permit (PSNGP), which would have required additional capital investments to meet the permit requirement. In February 2025, the Pollution Control Hearings Board invalidated the permit and remanded it back to Ecology for further action.

The recent Pollution Controls Hearing Board decision to invalidate the PSNGP adds to WTD's regulatory uncertainty because it means the current permit requirements have not been set. However, the Department of Ecology has already stated that it will pursue a voluntary version of the permit. If agencies do not opt into the voluntary permit, then Ecology will pursue modifications of the National Pollutant Discharge Elimination System (NPDES) permit for each plant or take other actions to impose nutrient regulations. The Department of Ecology anticipates issuing a new decision in June 2025.

WTD recognizes that the rate proposal was developed before the Pollution Control Hearings Board decision. Since WTD does not have a finalized regulatory framework, some uncertainty exists around what nutrient investments will be required in the forecast.

The current estimate is based on the conceptual scope defined under the original PSNGP, specifically the "Action Level" framework, and is based on the best available information and a recognition that some form of nutrient regulation still appears likely. WTD reports it will continue to monitor developments closely and adjust future forecasts as regulatory clarity improves.

The 2026-2035 forecast includes about \$390 million related to nutrient reduction. Of this amount, \$350 million is for projects identified through the Nitrogen Removal Optimization planning effort. This study evaluated strategies to keep nutrient discharges below the "Action Level" established in the initial Puget Sound Nutrient General Permit (PSNGP). The recommended investments are intended to maintain compliance with that threshold over the next 10–15 years, support the permit's adaptive management framework, and align with broader treatment plant needs and planning efforts.

Most of these investments involve targeted upgrades to the secondary treatment process at South Plant, with one potential side stream treatment project at an as-yet-unspecified facility. In addition to helping manage nutrient discharges, these projects would offer other benefits, including reducing wear and tear on other assets and operability improvements. Approximately \$29 million in expenditures were assumed for 2026 through 2027.

Other Large CIP Projects. In addition to the regulatory projects described earlier in the staff report, there are other large projects in the 10-year forecast. Projected expenditures for individual projects are updated in the six-year CIP, which will be transmitted as part of the budget process.

West Point Electrical Improvements. (\$400 million). This program will replace approximately 300 electrical assets, relocate nine additional electrical assets, and coordinate these efforts with other electrical and asset replacement projects at West Point Treatment Plant (WPTP) in Seattle.

West Point Treatment Plant (WPTP) Raw Sewage Pump Replacement. The existing raw sewage pump system was built in 1966, with a capacity of 440 million gallons of wastewater and stormwater per day. While the capacity remained at 440 million gallons per day, pumping untreated combined sewage over a long time has resulted in significant wear on the pumps. The purpose of this project is to replace the Raw Sewage Pump (RSP) system and make seismic upgrades. In addition, the project will also replace the existing boiler system prior to completion of the RSP replacement to provide the heat necessary to maintain a stable treatment process.

West Point Treatment Plant (WPTP) Critical Gate Refurbishment. The objective of this program is to restore full functionality to critical treatment plant wastewater flow control gates and their support systems at the WPTP in Seattle.

Offsite Level Controls and Communication Upgrade. (\$470 million). The scope of this program is to bring all offsite facility wet well level controls and communications equipment into conformance with WTD Design Standards to improve safety, reliability, and operability. This program will replace obsolete level controls and communications equipment at Pump Stations (PS), Regulator Stations (RS), and Combined Sewer

Overflow (CSO) facilities located throughout the service area. This programmatic project will group upgrades at multiple facilities into subprojects.

Asset Management Expenditures. The forecast for the asset management categories for the years 2025-2035 is \$3.2 billion. As the system continues to age, the scope and cost of Tier 1 projects, the highest priority project, have continued to increase. In the 2026 10-year forecast, WTD intends to address 67 percent (\$2.8 billion) of Tier 1 asset management projects and 33 percent (\$1.4 billion) of Tier 1 projects in the second decade.

Conveyance System Improvement and I/I Projects Largely Deferred. For the 2026 forecast, the proposal largely continues the practice from the 2024 and 2025 forecasts of deferring the CSI-I/I projects with a lower risk of capacity-related overflows. This includes those projects that have not had a capacity-related overflow in the last 10 years.

Strategic Climate Action Plan Projects. The 2026-2035 forecast includes \$261 million for SCAP projects for various initiatives, including significant upgrades to the biogas systems across all three regional plants. Additionally, funds are earmarked for investments in Class A biosolids production and numerous energy-saving projects, primarily focusing on replacing powered equipment such as pumps. The forecast also encompasses investments in the reclaimed water program at Brightwater, along with the installation of electric vehicle charging stations.

Complete Project List. Council staff have asked for a list of all the projects in the ten-year forecast. [As of the writing of this staff report, Council staff have not received the list of capital projects in the 10-year forecast. It will be distributed separately if it is received prior to the meeting.](#) This project list will represent a placeholder list of projects as the final list of projects to be funded is selected each year as part of the budget process and the development of the six-year CIP.

Forecasted Capital Expenditures Versus Actual Expenditures. The capital accomplishment rate is the amount of actual capital spending that occurs in the year compared with the amount of capital spending planned. WTD reports the actual 2024 accomplishment rate was lower than projected, largely because of significant underspend in 2024. Council staff have asked WTD to provide information on the target accomplishment rate for each year for the ten-year proposed rate forecast.

Table 5.²²
Historical Accomplishment Rates for the Capital Program (\$ in millions)

Accomplishment Rate	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital Improvement Program	\$191	\$207	\$211	\$246	\$262	\$247	\$291	\$360	\$386	\$401
Actual Annual CIP Spend	\$160	\$168	\$188	\$231	\$211	\$199	\$201	\$259	\$351	\$313
Actual Accomplishment Rate	84%	81%	89%	94%	81%	81%	69%	72%	91%	78%

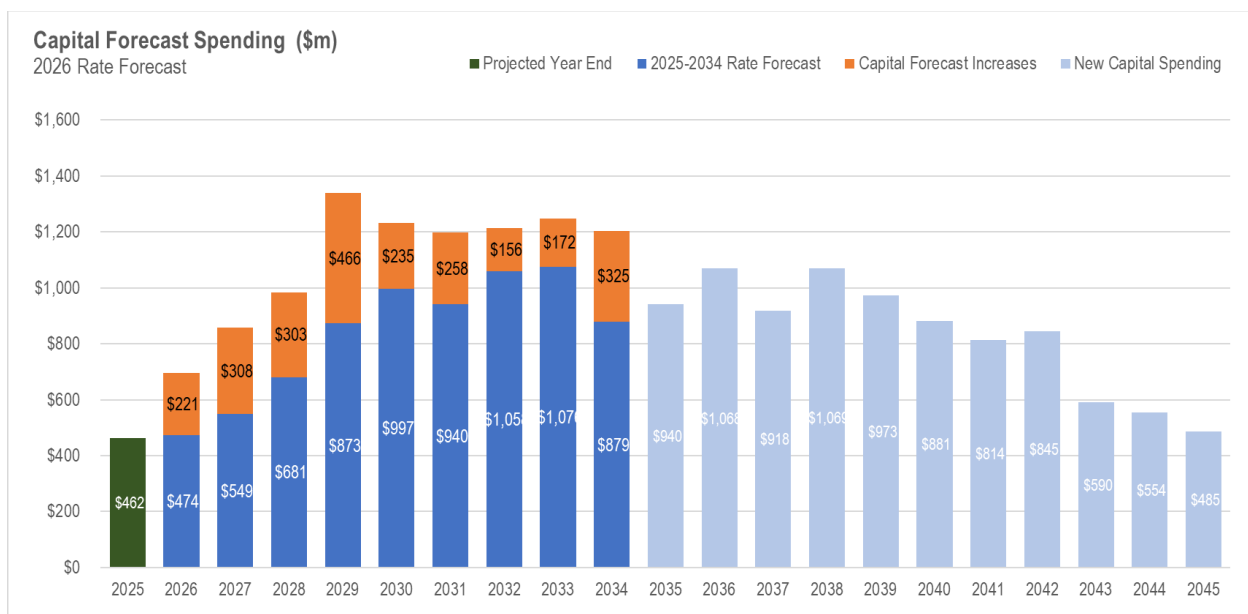
²² 2025 Sewer Rate Technical Memo, page 13

Comparison of 2006 Capital Forecast to Prior Ten-Year Forecast. As shown below in Figure 4, the capital forecast is increasing each year compared to the prior forecast.

WTD reports that looking across the ten-year forecast, the increased expenditures are largely due to:

- Cost increase for Mouth of Duwamish (\$1.4 billion) for the increase.
- \$800 million due to higher than projected cost increases. These costs would have removed with anticipated underspend, but are now carried forward for 3 years.
- \$230 million added to this 10-year forecast because the University and Montlake projects are now in the forecast window.
- \$610 million from 2024 coming out of the forecast window and 2035 coming on.

Figure 4.²³
Proposed 2026 Capital Forecast vs. Adopted 2025 Plan



Uncertainty in Expenditure Forecasts. The projected expenditures for each year of WTD's 10-year capital forecast includes uncertainty due to many factors, including staffing capacity to deliver projects, contractor availability, project delays, scoping changes, cost increases, and regulatory decisions. In addition, macro-economic issues such as tariffs, which are not considered in this forecast, could significantly increase project costs and delivery schedules. For future forecasts, the Council may wish to request WTD to further detail the level of uncertainty represented in the 10-year forecast.

Capital Forecasting Scenarios. As proposed, the 2026 rate forecast does not include different scenarios that would allow the Council to evaluate the risks and benefits of what could be accomplished at different spending levels. Such an approach is identified in the report, *Capital Investment Forecasting Methodologies and Recommendations*. For future forecasts, the Council may wish to request WTD provide scenarios such that the benefits, risks, and rate impacts of different investment levels can be seen.

²³ Attachment 4: PowerPoint King County Wastewater Treatment Division 2026 Sewer Rate

Differences Between 2025 and 2026 Annual Forecasts. The expenditures for 2025 and 2026 are expected to increase beyond what was projected in 2026. The 2025 forecast is about \$64 million higher than projected in 2024 because the approach to forecasting capital expenditures has shifted to a more comprehensive view. Similarly, the 2026 forecast has increased by about \$221 million, and the 2027 forecast by \$307 million. WTD reports it is not possible to attribute the \$221 million increase in 2026 and the \$308 million increase in 2027 to projects with specificity due to the change in forecasting methodology. Under the approach used for this forecast, project team forecasts are used with minor adjustments made only for anticipated underspending due to schedule risk and carryforward of funds. These increases primarily reflect higher projected costs to deliver the current portfolio of active projects based on updated schedules and cost estimates. In contrast, the previous methodology assumed more of these projects would be delayed due to staffing constraints, which is no longer the case in this updated forecast. As noted earlier, Council staff have asked for additional clarification on the WTD's new approach to forecasting.

Additionally, as shown in Table 6, when compared to the prior forecast period, regulatory projects now make up 17 percent more of the ten-year capital forecast.

Table 6.²⁴
Categories of Capital Expenditures in 2025 vs. 2026 Forecast

	2025 Rate ('24-'34)		2026 Rate ('25-'35)		Percentage Diff
	Decade Total	Percentage	Decade Total	Percentage	
Asset Management - Conveyance	\$ 944,671,558	11.5%	\$ 815,161,582	7.2%	-4.3%
Asset Management - Plants	1,906,696,033	23.1%	2,435,242,909	21.4%	-1.7%
Capacity Improvement	1,612,151,305	19.6%	1,147,523,921	10.1%	-9.5%
Operational Enhancements	173,691,419	2.1%	211,629,668	1.9%	-0.2%
Planning & Administration	120,779,515	1.5%	167,483,325	1.5%	0.0%
Resource Recovery	213,997,164	2.6%	260,224,672	2.3%	-0.3%
Regulatory	2,878,438,581	34.9%	5,931,262,266	52.1%	17.2%
Resiliency	390,404,318	4.7%	405,582,630	3.6%	-1.2%
Total	\$ 8,240,829,893	100.0%	\$ 11,374,110,972	100.0%	0.0%

Capital Program Oversight. At the May 28, 2025, BFM committee meeting, members asked about options for oversight of WTD's capital program. During the 2025 budget process, WTD provided information on its internal Portfolio Management system that conducts portfolio, program, and project oversight through an internal governance system. Information provided by WTD on the division's capital portfolio management system can be found in Attachment 7.

Given the large and growing capital portfolio of projects, the RWQC and MWPACC both recommended a review of the capital program by independent experts in order to promote transparency and identify opportunities for improvement. This effort could review the project prioritization process, project sequencing, and methods for forecasting expenditures and offer recommendations for how WTD could improve communication to stakeholders about the capital program to allow stakeholders to provide input on various portfolio options.

²⁴ Provided by Wastewater Treatment Division

Capital Improvement Program Funding. Two primary sources fund the capital improvement program: 1) cash generated from the sewer rate and capacity charge revenues and 2) debt financing from revenue bonds or low-interest state and federal loan programs. Figure 5 shows the amount and type of capital funding.

Cash Funding. Since 2023, WTD has used an original cost depreciation²⁵ method for setting cash funding targets for its CIP. With this method, the average annual cash contribution is equivalent to the average annual depreciation in the forecast period. This means that WTD uses the total expected depreciation over the forecast period to determine the total cash contributions required in the next 10 years. Cash-funding requirements are averaged over the next 10 years of the forecast period, allowing WTD to smooth rate increases and produce a more stable rate path. According to WTD, this original depreciation approach reduces the near-term rate spikes caused by large CIP investments in a particular year because the fiscal impact of the CIP investment is spread over the useful life of the asset. A 2022 WTD presentation notes, "this methodology is widely accepted in the industry, reduces the volatility in rate forecasting, and achieves lower rate increases given projected CIP forecasts."

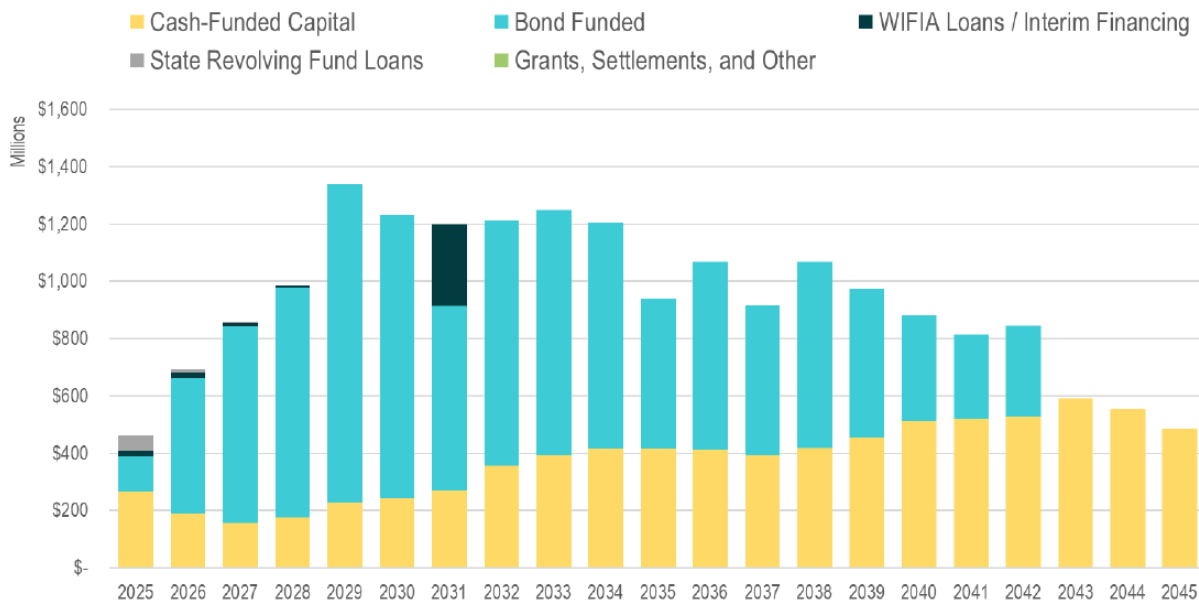
According to the technical memo, the total forecasted depreciation over the next 10 years translates into approximately 28 percent of the total CIP. WTD reports that the cash funding approach is set for review and reconsideration on a five-year cadence. WTD reports that the next substantive review will occur again in 2027 for 2028 implementation of any potential updates. Additionally, Council staff note that analysis of financial policies for capital financing and debt management, and financial planning and revenue sufficiency, is also set to occur as part of the RWSP Update in 2026 according to the RWSP Charter.

At the May 28, 2025, BFM committee meeting, members asked for additional information on the depreciation method used and to what extent WTD's projected cash-to-debt ratio reflects the idea that tomorrow's residents should pay their fair share of today's capital expenditure. WTD's response can be found at the end of this staff report.

Debt Financing. WTD uses debt financing to provide the remaining funds needed after the use of cash. Debt financing represents 72 percent of total project funding over the next 10 years. The main sources of debt available to WTD include state loans, federal Water Infrastructure Finance and Innovation Act (WIFIA) loans, and revenue bonds. Figure 5 shows the capital funding forecast and capital funding sources.

²⁵ Depreciation is an accounting concept calculated by dividing an asset's cost by its estimated useful life, representing how much that asset is expected to wear out or lose value every year. Original cost refers to the actual cost of an asset, rather than the cost adjusted for inflation.

Figure 5.²⁶
Capital Funding Sources



Note: Higher cash funding shown in 2025 is the result of a debt defeasance transaction postponed from November 2024 to February 2025.

Operating Expenditures. WTD's 2025 operating budget is the basis for forecasting operating costs for future years. The 2025 sewer rate and financial forecast included budgeted operating expenditures at \$224 million. WTD's spending forecast assumes a budget amendment and includes base-year operating expenditures at \$227.6 million. According to the technical memo, the increase in operating expenditures for 2025 is due to a series of general wage increases for County staff, including a 5.5 percent increase for 2025.

²⁶ 2025 Sewer Rate Technical Memo, page 18

Table 7.²⁷
Historical Annual Increase in WTD Operating Expenditures

Year	Operating Expenses	Annual Growth
2013	117,183	2.0%
2014	124,201	6.0%
2015	128,926	3.8%
2016	136,321	5.7%
2017	148,199	8.7%
2018	152,589	3.0%
2019	155,785	2.1%
2020	158,660	1.8%
2021	158,628	0.0%
2022	173,870	9.6%
2023	187,185	18.3%
2024	205,478	18.2%
Average		6.6%

Forecasted Increase in Operating Expenditures. Operating expenditures are forecasted to account for 40 percent of the revenue requirements for the sewer rate in 2026. Operating expenditures are forecasted to increase by 9.5 percent from \$227.6 million in 2025 to \$249.3 million in 2026. The operating costs for WTD's base year (2026) forecast include adjustments for significant known increases, such as electricity and chemicals, in addition to updated prices where recent inflation exceeded previous forecast assumptions. According to WTD, the growth in the operating costs assumption reflects increased staffing levels to better meet industry standards and the growing needs of aging facilities, capital project participation, and higher costs of biosolids transportation. Operating costs are forecast to increase by approximately 7 percent from 2026 to 2027, approximately 6 percent from 2028 through 2030, and approximately 5 percent from 2031 through 2035.

The technical memo briefly describes the need for this additional operational staff on pages 11 and 12, but it does not include any estimate as to the number of additional staff that will be requested as part of future budget requests. The technical memo does note that a portion of the identified staffing needs will be requested in 2026, and the remainder of the requests will be spread over the following years.

Rate Smoothing. Over the forecast period, WTD aims to develop a "smooth" sewer rate forecast that provides for fewer steep spikes. According to the technical memo, a smoothed sewer rate forecast allows for the collection of revenues that exceed expenditures in a given year and are less than expenditures in subsequent years to fully fund the utility over the forecast period with less volatility.

Smoothing rates means moving from considering only the revenue needs in a particular year to considering the needs over a more extended period to smooth year-to-year

²⁷ 2025 Sewer Rate Technical Memo, page 11

increases. The first step in rate smoothing is setting the cash target for every year of the forecast to match the estimated annual depreciation. As shown in Table 8, using only the original cost depreciation method, the sewer rate would still have spikes within the forecast period. To smooth those spikes, WTD reviews the entire forecast period, and, when necessary, to create a gradual trajectory of rate increases, the projection anticipates transferring more cash to the capital fund than the cash-funding target for that year. The same amount is reduced from the transfer in a later year of the forecast. At the end of the 10-year forecast, total cumulative revenues and expenditures²⁸ are balanced.

Table 8.²⁹
2026 Forecast Before and After Rate Smoothing

2026 Proposed Sewer Rate	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2025-2035
Rev. Req. Pre Smoothing (\$m)	\$693	\$794	\$868	\$926	\$1,052	\$1,180	\$1,270	\$1,346	\$1,456	\$1,528	\$1,592	\$12,705
Rate Increase %	5.75%	17.75%	9.83%	6.58%	14.82%	12.85%	7.44%	5.78%	8.35%	4.61%	3.72%	
Rev. Req. Post Smoothing (\$m)	\$693	\$737	\$822	\$918	\$1,034	\$1,165	\$1,314	\$1,412	\$1,515	\$1,554	\$1,595	\$12,760
Rate Increase %	5.75%	7.50%	12.75%	12.75%	13.50%	13.50%	13.50%	7.25%	7.25%	2.00%	2.00%	

Table 8 shows the impact of rate smoothing on the sewer rate. The second row of the table shows that even after using the original cost depreciation method approach, the proposed rates would have steep ups and downs. The smoothed rate is shown in the fourth row. However, given the large rate "spike" projected from 2026 to 2027, Council staff have asked WTD what other rate "smoothing" options were considered that would have resulted in a more gradual increase. WTD's response is below:

"Once the 2026 rate increase is fixed at 7.50%, as opposed to the pre-smoothing rate increase of 17.75%, the pre-smoothing rate for 2027 becomes 21.22%. The 12.75% increase in 2027 is meant to smooth that updated pre-smoothing increase of 21.22%. As discussed in prior meetings, rate smoothing is part science and part art. Part of this is balancing customer impact (avoiding "rate shock") with financial risk. The financial risk comes from collecting revenues below cash-funding target in the first years, expecting to make up for it in the following years. Any stair stepping more gradual than the current proposal would either incur higher financial risk in the short term or require a higher rate increase peak in the middle of the forecast."

With each new forecast, more information becomes available about the timing of future expenditures. WTD reports that the projected rate path may need to be re-smoothed by making adjustments from the prior forecast.

Capacity Charge. The capacity charge is a one-time charge on new connections to the sewer system. It can be paid as a total payment or as a monthly charge over 15 years. The amount of the capacity charge for each structure depends on the size and/or type of structure. See the [Background Section](#) of this staff report for more information on the capacity charge.

The amount of the charge is set each year by the Council. Proposed Ordinance 2025-0129 would set the 2026 capacity charge at \$77.99 each month assuming payment over

²⁸ Expenditures include depreciation-based cash transfers to capital

²⁹ Provided by Wastewater Treatment Division

15 years. This reflects a 2.5 percent increase from \$76.09 in 2025. In 2026, the capacity charge is expected to account for about 14.2 percent of WTD's revenues.

As shown in Table 9, the projected capacity charge forecast does not have the same rate of annual increases as seen in the sewer rate because the capacity charge largely reflects the costs already incurred to create additional capacity for new growth. Additionally, future drivers for the sewer rate, such as regulatory projects, do not impact the capacity charge.

Table 9.
Proposed 2026 Capacity Charge and 2027-2030 Forecast³⁰

Capacity Charge	2025	2026	2027	2028	2029	2030
Monthly Charge	\$76.09	\$77.99	\$79.94	\$81.94	\$83.99	\$86.09
Increase %	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Increase \$	\$1.86	\$1.90	\$1.95	\$2.00	\$2.05	\$2.10
Annual Total	\$913	\$936	\$959	\$983	\$1,008	\$1,033
Total Payments (15 years)	\$13,696	\$14,038	\$14,389	\$14,749	\$15,118	\$15,496
Upfront Payment*	\$9,684	\$9,926	\$10,174	\$10,429	\$10,690	\$10,957

*Discount rate of 5.05%

RWQC letter to King County Council and Executive. RWQC was briefed on WTD's rate forecast at the March, April, May, and June RWQC meetings. Following the May RWQC meeting, RWQC sent a letter regarding the 2026 proposed sewer rate to the King County Council and the Executive. The letter is included as Attachment 9 to this staff report and is summarized below.

RWQC's letter begins with an acknowledgement of the work that WTD has done in making progress on rate methodologies, and the additional briefings WTD provided to both RWQC and the Metropolitan Water Pollution and Abatement Advisory Committee (MWPAAC) this year in support of the proposed 2026 sewer rate and capacity charge. The letter notes, "RWQC recognizes that rate increases are necessary to maintain and improve the system, but increases must be balanced with affordability for ratepayers. Our deepest concern is that the rates forecasted in the future, particularly in 2027, are untenable and unsustainable for our ratepayers."

The letter continues, "While the RWQC can support the 2026 rate based on relative consistency with the prior forecast, we are very concerned about the projected rate path. RWQC would likely not support the 2027 rate or the projected rate path without WTD providing better communication about the reason for the rate changes, various scenarios considered, efforts made to minimize the rate impacts to ratepayers, and more meaningful engagement by MWPAAC, RWQC, and the King County Council in the development of the 2027 rate."

³⁰ WTD reports the capacity charge forecast is available only through 2030 because the methodology for calculating the capacity charge in code is tied to the life Regional Wastewater Services Plan (RWSP), which currently extends through 2030.

The letter concludes by offering the following recommendations "to achieve more predictability, affordability, and transparency for the 2027 and future rates":

- Approach for 2027 Rate Development – ongoing discussions with MWPAAC, RWQC, and the King County Council on the factors driving the 2027 rate and future projections.
- Regulatory strategy – encouraging King County to develop and implement a strategy for renegotiating consent decrees or permit deadlines for major projects and investments to address affordability challenges while simultaneously achieving optimal water quality benefits to the region.
- Independent capital oversight – encouraging King County to develop a proposal for a third-party review of the capital program, including "mega" capital projects such as the Mouth of Duwamish Combined Sewer Overflow (CSO).
- Early visibility and transparency on large project planning - planning for large capital projects should include early opportunities to bring MWPAAC, RWQC, and other stakeholders into the process so that the benefits and tradeoffs of different alternatives can be examined and understood.
- Rate predictability for multiple years – encouraging WTD to explore a multi-year rate commitment, which would provide more time for a deeper review and understanding of costs, discussion of options and tradeoffs, and prioritization of investments.
- Long-term forecasting – WTD should continue strengthening its capital forecasting methodology to increase the reliability, predictability, and sustainability of the second decade of the rate forecast.
- Support the regional utilities affordability summit – expressing support for the Executive's plan to prepare a multi-jurisdictional summit to address affordability and access to essential utilities.
- Continued focus and timeliness on RWSP Update - encourage the Council to ensure the timelines are adhered to for this important planning effort.

Metropolitan Water Pollution Abatement Advisory Committee Comment Letter. The Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) advises the King County Council and Executive on matters related to water pollution abatement. It was created by state law (RCW 35.58.210) and consists of representatives from cities and local sewer utilities that operate sewer systems within King County's sewer service area. These cities and sewer utilities deliver their sewage to King County for treatment and disposal.

Although MWPAAC does not have a formal role in approving the rate, MWPAAC closely follows the rate development process each year and works closely with WTD on issues related to the regional wastewater system and the sewer and capacity charge. As noted in the attached letter (Attachment 8) to the King County Council from MWPAAC, "MWPAAC acknowledges the need for a sewer rate increase in 2026; however, we have not been given adequate time and information to responsibly understand the costs driving the rates for 2026 and beyond." The letter to the Council includes the following points for future discussion:

- Third-party oversight for the capital program – engaging a consultant to provide oversight of mega projects to provide greater transparency and understanding

ahead of major decisions, given the magnitude of WTD's proposed capital spending over the next 10 years.

- Rate predictability for multiple years – committing to rates for a multi-year period to allow for better long-term planning and stability for WTD and MWPAAC member agencies.
- Long-term forecasting – continuing to refine long-term forecasts and early sharing of project alternatives and costs to allow MWPAAC to understand the drivers and provide early feedback.
- Deeper discussion on capital improvement program assumptions – having ample time for MWPAAC to fully understand projects and their planning to understand what contributes to the large cost buckets.
- Revisit regulatory timelines – encouraging WTD to pursue timeline extensions for regulatory requirements in areas requiring significant investment to allow for a more phased approach in implementing the required projects and to provide rate relief to local agencies.
- Policy effects on rate growth – clarifying how RWSP policies drive capital prioritization.

The letter concludes, "MWPAAC can support the proposed 2026 sewer rate; however, we urge the Council to work with the Executive and WTD to make meaningful progress on these issues summarized above before the next rate cycle begins."

[Additionally, comment letters were received from the cities of Bellevue, Kirkland, and Seattle and distributed to committee members on May 28, 2025.](#)

Contaminants of Emerging Concern–Cost Tracking. Per Motion 16434: "Beginning with the 2025 sewer rate forecast, the wastewater treatment division shall include in its technical memorandum submitted with the annual sewer rate Ordinance a section identifying the cost of activities it has undertaken and plans to undertake to address contaminants of emerging concern, including PFAS."³¹

The technical memo includes the following information on PFAS costs to date:

- Between 2019 and 2021, King County evaluated reclaimed water from the Brightwater Treatment Plant, analyzing its impact on soil, groundwater, and plant tissues for PFAS and other chemicals of emerging concern. PFAS compounds were found in river water, reclaimed water, soil, and plants irrigated with these water sources. The total cost for the PFAS-related work was approximately \$93,750.
- In 2021-2022, King County investigated PFAS presence in wastewater effluent at three County treatment plants. The study cost around \$24,990 for PFAS testing.
- In 2023, King County allocated \$421,000 for a comprehensive investigation into PFAS in wastewater facilities and landfill leachate, expected to be completed by mid-2025. By mid-2024, tracking showed that staff had spent 300 hours and \$27,300 on PFAS-related work.

³¹ PFAS (Per- and Polyfluoroalkyl Substances) are a group of chemicals used to make fluoropolymer coatings and products that are widely used in consumer products. PFAS are a concern because they do not break down in the environment, are able to move through soils and water sources, and build up in fish and wildlife.

- Additionally, the Nutrient Reduction Evaluation project (total estimated cost of approximately \$8 million) includes an analysis of potential nitrogen-removal compounds of emerging concern and toxics removal, including PFAS chemicals. Approximately \$63,500 has been spent on PFAS analysis as part of this project.
- Costs also include 2,090 documented staff hours spent on PFAS through the end of 2023, in addition to the 300 estimated hours in 2024.

The technical memo also includes information on future costs related to compliance with Ecology's draft NPDES permit for the West Point Treatment Plant. The cost estimate for this work is \$1 million over five years. Other future unknown costs include monitoring for PFAS in stormwater, wastewater treatment plant influent and effluent, biosolids, and industrial waste.

Questions and Answers from May 28, 2025, Budget and Fiscal Management Committee

At the May 28, 2025, BFM committee meeting, members asked the following questions:

Question 1: Please provide information on rates charged by local sewer agencies.

Response: See Attachment 6 for information on 2024 single-family residential rates. This information includes a brief description of the single-family rate structure for each agency.

Question 2: Please describe the type of depreciation that WTD is using to calculate the amount of cash versus debt to use and any options/levers that are available.

WTD provided the following response:

"A briefing that describes both the selected method and other methods considered at the time of the 2023 update was presented to MWPAAC Rates & Finance on October 6, 2022, and can be found [here](#). This briefing describes the type of depreciation, alternative options and levers, and also summarizes the implications related to rate affordability, volatility, and rating agency considerations around debt service coverage and leverage."

Question 3: To what extent does WTD's projected cash-to-debt ratio reflect the idea that tomorrow's residents should pay their fair share of today's capital expenditure?

WTD provided the following response:

"The utility rate-making industry refers to the concept of equity among today's customers and tomorrow's customers as "intergenerational equity." In combination, a utility's approach to (1) maintaining assets in good working condition, and (2) the cash and debt financing approach, are the primary factors that influence intergenerational equity in utility finance.

Intergenerational equity considers not only whether today's customers are paying a fair share in relation to future customers, but also whether today's customers find themselves inheriting a previous generation's potentially deferred financial

responsibility. At times, a current customer base is paying for catch-up or continuing the deferred responsibility. For example, in some utilities, current customers are funding deferred maintenance and asset replacement that were not funded by a previous generation of ratepayers at the time they were due.

At the time of the MWPAAC 2017 debt reduction initiative, WTD's leverage reflected a debt balance nearly equal to its asset balance, which the rating agencies have consistently referenced as a financial weakness (one agency described it as an "extremely high" debt-to-asset ratio). A highly leveraged system might be one in which a previous generation of ratepayers deferred funding and increased financial risk by excessive borrowing.

Aside from an inherited system status, both asset management approaches and cash funding policy can be set in a way that conceptually target consistent intergenerational equity over time. WTD is making progress toward a mature asset management program and the 2023 cash funding approach update was a substantial improvement to intergenerational equity."

Question 4: What changes can be made to make the RCE rate structure more progressive and what is the potential timeline for making such changes?

Response: WTD is preparing a response. Staff will distribute the information when it becomes available.

INVITED

- Kamuron Gurol, Director, Wastewater Treatment Division
- Courtney Black, Financial Services Manager, Wastewater Treatment Division
- Crystal Fleet, Capital Portfolio Planning and Analysis Unit Manager, Wastewater Treatment Division

ATTACHMENTS

1. Proposed Ordinance 2025-0129 (and its attachments)
2. Transmittal Letter
3. Fiscal Note
4. Technical Memo Proposed 2026 Sewer Rate and Capacity Charge
5. PowerPoint King County Wastewater Treatment Division 2026 Sewer Rate
6. Listing of Local Sewer Agency Single-Family Residential Rates
7. WTD's Capital Portfolio Management System
8. Metropolitan Water Pollution Abatement Advisory Committee 2026 Rate Recommendation Letter to Council
9. Regional Water Quality Committee letter to King County Council

Appendix 1: Summary of WTD's Updated Approach to Developing Capital Expenditure Forecast³²

Capital forecasts are necessary to determine the amount of funding (cash and debt) needed to pay for the CIP and directly impact the 10-year forecast. With the 2026 10-year rate forecast, WTD has updated its approach to forecasting capital expenditures. The new approach tries to take into consideration the complexity of the projects, the capacity to deliver concurrent projects, historical accomplishment rates, and legally required timelines.

As in the previous forecast, the method used for the 2026 forecast depends on whether it is a current, conceptual, or regulatory project. The 2026 10-year forecast includes changes to how capital forecasts are developed. The changes are discussed below. In summary, the changes reflect that WTD anticipates being able to deliver more capital expenditures than forecast in the previous forecast.

WTD reports that it will continue to evaluate the approach used to project capital expenditures. Given the significant growth of the capital program beyond what WTD has delivered in the past and the complexity of developing a forecast with so many variables, Council may wish to encourage WTD to engage MWPAAC in an in-depth review of the method selected to forecast the amount of capital expenditures that will occur in each year of the forecast. While such a review would not be in time for the 2026 rate, it could help inform the 2027 rate and the remaining years of the 10-year rate projection.

Current Projects. These are projects with current appropriation authority managed by project teams (except the megaprojects for the Mouth of Duwamish CSO, University/Montlake, and Joint Ship Canal).

Changes to staffing capacity assumptions. In the early years of WTD's capital program growth, WTD reports that limiting estimated annual expenditures based on the average dollars expended per-FTE model worked well to ensure that WTD did not over-collect revenue that would not be needed. However, some of these early projects will soon be entering the construction phase, where spending is primarily driven by external contracts with relatively limited internal staff involvement. WTD reports that a set annual limit per the dollars-per-FTE calculation would have caused significant misalignments with projected needs and risked underfunding projects already underway. Additionally, historical expenditure data may not reflect the volatile price changes and changes in how WTD delivers projects that are intended to increase capacity. For this forecast, WTD no longer assumes a set capacity per year to deliver projects based on staffing levels and assumptions based on historical expenditures per FTE.

Under the new approach for the 2026 10-year forecast, rather than consider an annual staffing constraint limit, WTD is considering the staffing constraint over the entire 10 years as a preliminary benchmark for what WTD believes is feasible to deliver over the entire forecast horizon. Another change with this 10-year forecast is that while the total capacity to deliver projects has increased, the assumed new FTEs needed to meet the CIP have also been adjusted downward. WTD is now assuming that 50 new FTEs each year through 2028 is sufficient. WTD reports that this reflects a significant shift in the

³² This summary was prepared by Council staff and reviewed for accuracy by WTD.

assumptions used in developing the forecast. WTD reports that the previous approach did not account for the variability in annual spending or the elevated expenditures associated with large projects in construction. Another variable that the old approach did not take into account is the other strategies that WTD is undertaking to increase project throughput. WTD reports it is increasingly leveraging programmatic delivery models and alternative public works methods to improve efficiency, scalability, and throughput. WTD reports these changes are already showing early signs of improved delivery capacity.

An updated and more detailed look at what can be delivered happens during the biennial budget process. As more detailed project information becomes available, WTD will refine this assessment using bottom-up resource forecasting techniques as projects move into delivery and request appropriation if needed for the biennium. At that stage, functional unit managers assess proposed projects, staffing needs (both in-house and consultant), and determine what WTD can reasonably undertake within the anticipated resources. Given the high level of uncertainty over a 10-year horizon, WTD reports conducting detailed year-by-year staffing analysis is not practical.

New Approach to Annual Capital Expenditure Forecast Relies on Project Teams. The expenditure forecast for current projects is now based on estimates of project costs at completion and annual expenditure plans provided by project teams as of mid-February 2025. It is important to note that the level of precision in these estimates varies depending on the recency of the estimate and the current stage of the project. In this forecast, the recency of the cost information varies by project—some may reflect recent updates, while others may be based on older estimates. WTD, at this time, is not able to report the percentage of the portfolio is based on recent cost estimates. Additionally, projects are at various stages. According to WTD, the accuracy of a cost estimate is primarily driven by the certainty of the project scope, which increases in certainty as the project develops. If a project is not fully scoped, the cost estimate, even if recent, may not reflect the various requirements of a project.

Once a cost estimate is prepared by a project team, WTD then assumes, based on historical expenditure patterns, that 20 percent of the expenditures forecast by project teams will not be spent in a given year. The 20 percent is based on the average percent of the capital project expenditures that were actually spent (accomplishment rate). In past years, projected expenditures beyond the average accomplishment rate were removed from the forecast. Now, in order to reflect that those expenditures will actually occur, the 20 percent is carried forward over the next three years, and a cost escalation factor is added. WTD has applied this carryforward approach for 2025 through 2028.

WTD estimates that with this approach, about \$800 million in the current 10-year forecast would have been removed from the prior forecast even though it was anticipated to be spent over the forecast period. The impact of the new approach can be seen by comparing the 2026 forecast to the 2025 forecast. The 2025 forecast was developed using the previous methodology, which was based on a projection constrained by available staff resources. The \$462 million shown for 2025 in this year's forecast reflects a more comprehensive view that includes the full forecasted expenditures for all current projects and programs. This reflects an adjustment to account for a projected 20% underspend. That anticipated underspend is not lost but carried forward, escalated, and added to the expenditure forecasts for 2026, 2027, and 2028.

This new approach results in a higher sewer rate since the prior method simply reduced expenditures in a given year and did not carry those same costs forward into subsequent years. While this new approach does result in a more comprehensive (and thus larger) forecast, WTD reports most of the cost increases driving higher rates in the forecast are due to MDCSO, and as discussed below, that project would have been assumed to spend 100 percent of its projected expenditures in previous forecasts.

Megaprojects. Large megaprojects include MDCSO, University and Montlake, and Joint Ship Canal. Similar to the prior forecast, no staff capacity constraint is assumed for these projects because, based on experience, WTD reports that these projects rely much less on internal staff resources, and much of the expenditures are for construction costs. Additionally, the projections for these megaprojects are not reduced by 20 percent to reflect past expenditure patterns because it is assumed that the expenditures will occur in the timeframe required to meet regulatory requirements. In the prior forecast for MDCSO and University and Montlake CSO projects, expenditures were assumed at 85 percent accomplishment rates because they were treated like other projects with uncertain completion dates, given that the CSO Consent Decree was still under negotiation when the forecast was developed. For the 2026 forecast, WTD assumes the entire project cost will be spent by the required end date. For these projects, an annual forecast is provided by the project team based on costs and schedule.

For the University and Montlake CSO projects, these projects were last updated in 2018 and have not been revised since that time. As with other projects in the early conceptual planning phase, WTD typically updates cost estimates once additional design and site information becomes available and preferred alternatives are developed. The University and Montlake projects are still in the options analysis stage and are awaiting further scope definition. Once more is known about the approach and scope, cost estimates will be revised and updated accordingly.

In summary, for the regulatory projects, the increased costs in this 10-year projection when compared to the prior forecast, reflect updated cost information for Mouth of Duwamish, updated completion dates for other CSO projects, and differences in the assumptions used to project expenditures.

Other Regulatory Projects. This includes West Duwamish Wet Weather Storage, Elliott West Wet Weather Treatment Station Upgrade, and NPDES Projects. The projected expenditures for these projects are assumed as part of the 10-year staffing constraint calculation because they are not mega-sized projects. But, because they are regulatory, they all assume 100 percent expenditures. In the prior forecast, before the consent decree was finalized, all of these projects were previously forecast at 15 percent underspend. Thus, now assuming 100 percent expenditures the proposed 2026-2035 forecast will show higher expenditures for these projects than the prior forecast.

Conceptual Projects. These are early-stage projects that are not yet in active delivery. For these projects, WTD used a modeled approach to develop an annualized expenditure projection for the rate forecast. This model is used for all conceptual projects. Because these projects are at the very early stages, there are no detailed project plans on which to base an annualized forecast. Instead, spending estimates are informed by historical

project spending patterns, estimated project duration, and the total estimated cost at completion.

The model output is an annualized expenditure projection based on a percentage of the total cost allocated to each year. As is done for the current projects, these projects are sequenced in time to balance an overall resource constraint over the 11-year forecast window. This means the timing of conceptual projects is adjusted so that when combined with the current projects, the total expenditures over the 10-year period do not exceed the 10-year resource constraint. There is no reduction made for staffing capacity or for underspending because conceptual projects are deliberately sequenced so that the total forecast over the 10 years does not exceed total resourcing assumptions. For 2026, the forecast projects \$8 million for conceptual project expenditure and \$2.6 billion over the 2026-2035 forecast period.



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2025-0129.1

Sponsors Balducci

1 AN ORDINANCE relating to rates and charges for sewage
2 treatment and disposal; and amending Ordinance 12353,
3 Section 2, as amended, and K.C.C. 4A.670.100, Ordinance
4 18745, Section 2, as amended, and Ordinance 11398,
5 Section 1, as amended, and K.C.C. 28.84.055.

6 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

7 SECTION 1. Ordinance 12353, Section 2, as amended, and K.C.C. 4A.670.100
8 are hereby amended to read as follows:

9 A. Having determined the monetary requirements for the disposal of sewage, the
10 council hereby adopts a ((2025)) 2026 sewer rate of ((fifty-eight)) sixty-two dollars and
11 ((twenty-eight)) sixty-six cents per residential customer equivalent per month. Once a
12 sewer rate ordinance becomes effective, the clerk of the council is directed to deliver a
13 copy of that ordinance to each agency having an agreement for sewage disposal with King
14 County.

15 B. The King County council approves the application of Statement No. 62 of the
16 Governmental Accounting Standards Board (GASB-62) as it pertains to regulatory assets
17 and liabilities to treat pollution remediation obligations and RainWise Program
18 expenditures and strategic planning costs as regulatory assets, recovered ratably over the
19 life of the underlying financing, and to establish a rate stabilization reserve for the
20 purpose of leveling rates between years.

21 C. As required for GASB-62 application, amounts are to be placed in the rate
22 stabilization reserve from operating revenues and removed from the calculation of debt
23 service coverage. The reserve balance shall be an amount at least sufficient to maintain a
24 level sewer rate between ~~((2025))~~ 2026 and ~~((2026))~~ 2027, and shall be used solely for
25 the purposes of: maintaining the level sewer rate in ~~((2026))~~ 2027; and if additional
26 reserve balance is available, moderating future rate increases beyond ~~((2026))~~ 2027. The
27 estimated amount of the reserve, as shown in the financial forecast, Attachment A to
28 ~~((Ordinance 19447))~~ this ordinance, shall be revised in accordance with the ~~((2025~~
29 ~~Annual Budget))~~ 2026-2027 Biennial Budget Ordinance and financial plan. If the reserve
30 needs to be reduced to meet debt service coverage requirements for ~~((2024))~~ 2025, the
31 county executive shall notify the council of the change by providing an updated financial
32 plan.

33 SECTION 2. Ordinance 18745, Section 2, as amended, is hereby amended to
34 read as follows:

35 Monetary requirements for the disposal of sewage as defined by contract with the
36 component sewer agencies for the fiscal year beginning January 1, ~~((2025))~~ 2026, and
37 ending December 31, ~~((2025))~~ 2026. The council hereby determines the monetary
38 requirements for the disposal of sewage as follows:

39 Administration, operating, maintenance repair and replacement (net of other
40 income): ~~((98,885,775))~~ \$123,844,438.

41 Establishment and maintenance of necessary working capital reserves:
42 ~~((159,207,572))~~ \$107,549,086.

43 Requirements of revenue bond resolutions (not included in above items and net of
44 interest income): ((~~\$290,381,168~~)) \$360,794,645.

45 TOTAL: ((~~\$548,474,514~~)) \$592,188,168.

46 SECTION 3. Ordinance 11398, Section 1, as amended, and K.C.C. 28.84.055 are
47 hereby amended as follows:

48 A. The amount of the metropolitan sewage facility capacity charge adopted by
49 K.C.C. 28.84.050.O. that is charged monthly for fifteen years per residential customer or
50 residential customer equivalent shall be:

51 1. Seven dollars for sewer connections occurring between and including January
52 1, 1994, and December 31, 1997;

53 2. Ten dollars and fifty cents for sewer connections occurring between and
54 including January 1, 1998, and December 31, 2001;

55 3. Seventeen dollars and twenty cents for sewer connections occurring between
56 and including January 1, 2002, and December 31, 2002;

57 4. Seventeen dollars and sixty cents for sewer connections occurring between
58 and including January 1, 2003, and December 31, 2003;

59 5. Eighteen dollars for sewer connections occurring between and including
60 January 1, 2004, and December 31, 2004;

61 6. Thirty-four dollars and five cents for sewer connections occurring between
62 and including January 1, 2005, and December 31, 2006;

63 7. Forty-two dollars for sewer connections occurring between and including
64 January 1, 2007, and December 31, 2007;

65 8. Forty-six dollars and twenty-five cents for sewer connections occurring
66 between and including January 1, 2008, and December 31, 2008;

67 9. Forty-seven dollars and sixty-four cents for sewer connections occurring
68 between and including January 1, 2009, and December 31, 2009;

69 10. Forty-nine dollars and seven cents for sewer connections occurring between
70 and including January 1, 2010, and December 31, 2010;

71 11. Fifty dollars and forty-five cents for sewer connections occurring between
72 and including January 1, 2011, and December 31, 2011;

73 12. Fifty-one dollars and ninety-five cents for sewer connections occurring
74 between and including January 1, 2012, and December 31, 2012;

75 13. Fifty-three dollars and fifty cents for sewer connections occurring between
76 and including January 1, 2013, and December 31, 2013;

77 14. Fifty-five dollars and thirty-five cents for sewer connections occurring
78 between and including January 1, 2014, and December 31, 2014;

79 15. Fifty-seven dollars for sewer connections occurring between and including
80 January 1, 2015, and December 31, 2015;

81 16. Fifty-eight dollars and seventy cents for sewer connections occurring
82 between and including January 1, 2016, and December 31, 2016;

83 17. Sixty dollars and eighty cents for sewer connections occurring between and
84 including January 1, 2017, and December 31, 2017;

85 18. Sixty-two dollars and sixty cents for sewer connections occurring between
86 and including January 1, 2018, and December 31, 2018;

87 19. Sixty-four dollars and fifty cents for sewer connections occurring between
88 and including January 1, 2019, and December 31, 2019;

89 20. Sixty-six dollars and thirty-five cents for sewer connections occurring
90 between and including January 1, 2020, and December 31, 2020;

91 21. Sixty-eight dollars and thirty-four cents for sewer connections occurring
92 between and including January 1, 2021, and December 31, 2021;

93 22. Seventy dollars and thirty-nine cents for sewer connections occurring
94 between and including January 1, 2022, and December 31, 2022;

95 23. Seventy-two dollars and fifty cents for sewer connections occurring between
96 and including January 1, 2023, and December 31, 2023;

97 24. Seventy-four dollars and twenty-three cents for sewer connections occurring
98 between and including January 1, 2024, and December 31, 2024; ~~((and))~~

99 25. Seventy-six dollars and nine cents for sewer connections occurring between
100 and including January 1, 2025, and December 31, 2025; and

101 26. Seventy-seven dollars and ninety-nine cents for sewer connections occurring
102 between and including January 1, 2026, and December 31, 2026:

103 B.1. In accordance with adopted policy FP-15.3.d. in the Regional Wastewater
104 Services Plan, K.C.C. 28.86.160.C., it is the council's intent to base the capacity charge
105 upon the costs, customer growth and related financial assumptions used in the Regional
106 Wastewater Services Plan.

107 2. In accordance with adopted policy FP- 6 in the Regional Wastewater Services
108 Plan, K.C.C. 28.86.160.C., the council hereby approves the cash balance and reserves as

109 contained in the attached financial plan for ((2025)) 2026, which is Attachment A to
110 ((~~Ordinance 19782~~)) this ordinance.

111 3. In accordance with adopted policy FP-15.3.c., King County shall pursue
112 changes in state legislation to enable the county to require payment of the capacity charge

113 in a single payment, while preserving the option for new ratepayers to finance the
114 capacity charge.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: A. Wastewater Treatment Division Financial Plan

W County WTD - Sewer Rate Financial Model	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Wastewater Treatment Division Attachment A - Financial Forecast	Actual 2024	Budget 2025	Rate Proposal 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033	Projected 2034	Projected 2035
Operating Financial Forecast - 4611 (\$ '000)												
Monthly Sewer Rate	\$55.11	\$58.28	\$62.66	\$70.65	\$79.66	\$90.42	\$102.63	\$116.49	\$124.94	\$134.00	\$136.68	\$139.42
Rate Increase	5.75%	5.75%	7.50%	12.75%	12.75%	13.50%	13.50%	7.25%	7.25%	2.00%	2.00%	2.00%
Residential Customer Equivalents (RCEs)	774,178	780,874	787,568	792,492	797,424	802,365	807,315	812,274	817,241	822,217	827,202	832,196
Revenue												
Sewer Rate ¹	\$ 514,634	\$ 546,112	\$ 592,188	\$ 671,875	\$ 762,274	\$ 870,598	\$ 994,257	\$ 1,135,461	\$ 1,225,273	\$ 1,322,125	\$ 1,356,744	\$ 1,392,297
Capacity Charge	101,469	98,149	104,960	111,668	117,122	121,924	126,634	131,421	135,314	138,247	140,689	144,577
Industrial Waste	10,206	10,258	10,310	10,362	10,415	10,468	10,522	10,575	10,629	10,684	10,738	10,793
Resource Recovery	10,680	9,509	6,584	6,782	6,985	7,195	7,410	7,633	7,862	8,098	8,341	8,591
Other Income	3,714	3,578	3,597	3,616	3,635	3,655	3,676	3,697	3,719	3,742	3,765	3,789
Investment Income	26,990	25,484	19,639	17,335	17,421	20,476	22,891	25,369	29,178	31,989	34,120	35,384
Use (Transfer to) Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Total - Revenue	\$ 667,693	\$ 693,090	\$ 737,277	\$ 821,637	\$ 917,852	\$ 1,034,317	\$ 1,165,390	\$ 1,314,156	\$ 1,411,975	\$ 1,514,885	\$ 1,554,398	\$ 1,595,431
Expenditures & Transfers												
O&M Expenses	\$ (205,478)	\$ (227,606)	\$ (249,295)	\$ (267,664)	\$ (283,528)	\$ (299,973)	\$ (317,417)	\$ (333,056)	\$ (349,475)	\$ (366,713)	\$ (384,811)	\$ (403,813)
Existing Debt Service	(260,856)	(271,001)	(287,706)	(288,253)	(280,877)	(271,362)	(290,154)	(289,525)	(260,530)	(265,544)	(235,871)	(225,992)
New Debt Service	-	(11,363)	(43,105)	(88,669)	(142,627)	(217,321)	(284,979)	(334,152)	(408,414)	(465,354)	(516,976)	(550,610)
Debt Retirement/ Defeasance Use of Cash	(15,897)	(81,174)	-	-	-	-	-	-	-	-	-	-
Minimum Operating Reserve Contribution	(3,247)	(2,940)	(2,169)	(1,837)	(1,586)	(1,644)	(1,744)	(1,564)	(1,642)	(1,724)	(1,810)	(1,900)
Total - Expenditures & Transfers	\$ (485,478)	\$ (594,082)	\$ (582,275)	\$ (646,422)	\$ (688,619)	\$ (790,300)	\$ (894,295)	\$ (958,297)	\$ (1,020,061)	\$ (1,099,335)	\$ (1,139,468)	\$ (1,182,316)
Net Cash Flow	\$ 182,215	\$ 99,008	\$ 155,002	\$ 175,215	\$ 229,233	\$ 244,017	\$ 271,095	\$ 355,859	\$ 391,914	\$ 415,550	\$ 414,930	\$ 413,116
Beginning Balance	\$ 2,520	\$ 90,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	182,215	99,008	155,002	175,215	229,233	244,017	271,095	355,859	391,914	415,550	414,930	413,116
Policy Cash-Funded Capital (Transfer to Capital Fund)	(110,000)	(189,012)	(155,002)	(175,215)	(229,233)	(244,017)	(271,095)	(355,859)	(391,914)	(415,550)	(414,930)	(413,116)
Ending Balance ²	\$ 74,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Reserve Balances												
Water Quality Operating Liquidity Reserve	\$ 20,548	\$ 22,761	\$ 24,929	\$ 26,766	\$ 28,353	\$ 29,997	\$ 31,742	\$ 33,306	\$ 34,947	\$ 36,671	\$ 38,481	\$ 40,381
Rate Stabilization Reserve Account	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250
Debt Service Coverage - Parity Bonds (Senior Lien)	3.22x	3.34x	2.81x	2.43x	2.49x	2.37x	2.15x	2.18x	2.18x	2.05x	1.93x	1.95x
Debt Service Coverage - All-In Debt Service	1.77x	1.65x	1.48x	1.47x	1.57x	1.50x	1.47x	1.57x	1.59x	1.57x	1.55x	1.53x
¹ Sewer rate revenue in 2024 includes a billing adjustment of \$2.6m												
² Difference between 2024 ending balance and 2025 beginning balance driven by reconciliation of cash and accrual, timing of transfers between funds												
Capital Funding Forecast - 3611 & 3612 (\$ '000)												
Beginning Balance	\$ 119,476	\$ 182,707	\$ 189,012	\$ 155,002	\$ 175,215	\$ 229,233	\$ 244,017	\$ 271,095	\$ 355,859	\$ 391,914	\$ 415,550	\$ 414,930
WIFIA Proceeds	9,616	16,927	15,907	15,588	5,617	-	-	284,000	-	-	-	-
State Loan Proceeds	35,355	54,267	15,651	878	-	-	-	-	-	-	-	-
Variable Rate Debt Proceeds	-	154,157	17,445	106,670	82,713	134,317	171,043	157,514	155,110	163,190	145,345	146,539
Commercial Paper / Interim Financing	66,000	49,725	108,632	22,982	5,472	-	-	-	-	-	-	-
Retirement of Interim Financing	-	(35,620)	(18,172)	(18,548)	(5,472)	-	-	(175,000)	-	-	-	-
Net Bond Proceeds	192,081	40,085	366,884	574,698	720,610	975,346	817,037	660,849	702,699	692,807	642,895	378,788
Reserve Contribution/(Requirement) ³	(34,239)	-	-	-	-	-	-	-	-	-	-	-
Grants, Settlements, and Other	3,665	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	(312,597)	(462,248)	(695,360)	(857,271)	(984,155)	(1,338,896)	(1,232,097)	(1,198,458)	(1,213,668)	(1,247,910)	(1,203,790)	(940,257)
Ending Balance Before Transfers	\$ 79,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year-end Transfers from Operating Fund	110,000	189,012	155,002	175,215	229,233	244,017	271,095	355,859	391,914	415,550	414,930	413,116
Ending Balance	\$ 189,357	\$ 189,012	\$ 155,002	\$ 175,215	\$ 229,233	\$ 244,017	\$ 271,095	\$ 355,859	\$ 391,914	\$ 415,550	\$ 414,930	\$ 413,116
Ending Reserve Balances												
Capital Liquidity Reserve	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Emergency Capital Reserve	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Revenue Bonds Reserve Account	145,167	133,590	159,105	198,541	248,091	315,435	373,546	420,784	482,142	531,697	574,926	589,373
State Revolving Fund Reserve Account	219	219	176	133	133	133	68	-	-	-	-	-

³Capital Liquidity Reserve increased from \$5m to \$40m in 2024

Note: Bond covenants are written to allow that in any given year, use of the Rates Stabilization Reserve can be recognized as revenue eligible for inclusion in the bond coverage calculation. In years that WTD contributes to this reserve, that portion of revenue is deducted from the revenue basis for calculating bond co

Unit Conversion

1,000

Check

TRUE



King County

Shannon Braddock

King County Executive

401 Fifth Avenue, Suite 800
Seattle, WA 98104

206-296-9600 Fax 206-296-0194

TTY Relay: 711

www.kingcounty.gov

April 24, 2025

The Honorable Girmay Zahilay
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Zahilay:

This letter transmits a proposed Ordinance that, if enacted, would set the 2026 monthly wholesale sewer rate and capacity charge. The proposed Ordinance would increase the monthly sewer rate by 7.5 percent, from \$58.28 to \$62.66, and increase the capacity charge by 2.5 percent, from \$76.09 to \$77.99. A technical memorandum enclosed with this letter provides detailed information on the revenues, expenditures, debt service, operations, and capital programs that inform the rate development process.

The 2026 sewer rate proposal expands the previous 10-year forecast to 20 years, as required by Motion 16449; as prior forecasts projected to 10 years. This sewer rate also reflects the completion of negotiations with the Washington State Department of Ecology, U.S. Environmental Protection Agency, and the U.S. Department of Justice on a modified Consent Decree for Combined Sewer Overflow (CSO) projects. While negotiations were under way, previous financial forecasts assumed a completion date of 2040. The modified consent decree sets the completion date at 2037, resulting in the University of Washington and Montlake CSO control project schedules being moved forward, with funding required sooner in this year's forecast. Additionally, the largest project, the Mouth of the Duwamish CSO program, has made progress toward a selected alternative with an updated cost estimate. The project cost estimate at completion has increased from \$1.9 billion to \$3.4 billion due to refined program definition and scope, market conditions and cost escalation, and improved cost validation and risk management.

The Department of Natural Resources and Parks (DNRP) recognizes that cost increases due to regulatory requirements and the current market conditions will have financial impacts on ratepayers. To address this, DNRP will continue to utilize low-interest loans through the Washington State Revolving Fund, Washington Public Works Trust Fund, and the federal

Water Infrastructure Finance and Innovation Act. These loans are in addition to DNRP's prudent approach to cash funding and bond issuances to pay for the capital program. While these financial options help reduce longer-term rate projections, DNRP will continue to explore new sources and tools to lessen the financial burden on ratepayers.

From January to April 2025, DNRP staff held monthly rate discussions with and provided briefings to the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC). MWPAAC's letter on the proposed sewer rate is enclosed. At the request of the Regional Water Quality Committee (RWQC), DNRP's Wastewater Treatment Division provided information on the proposed rate and forecast for discussion at RWQC's meetings in March and April 2025.

Thank you for your consideration of this proposed Ordinance. This important legislation will help King County residents by continuing to protect water quality in the region through the maintenance and repair of the County's wastewater assets.

If your staff have questions, please contact Kamuron Gurol, Division Director of the Wastewater Treatment Division, Department of Natural Resources and Parks, at 206-549-1190.

Sincerely,



for

Shannon Braddock
King County Executive

Enclosure

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff, King County Council
 Melani Hay, Clerk of the Council
Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive
Penny Lipsou, Council Relations Director, Office of the Executive
John Taylor, Director, Department of Natural Resources and Parks (DNRP)
Kamuron Gurol, Division Director, Wastewater Treatment Division, DNRP

2026-2027 FISCAL NOTE

Ordinance/Motion: 2025-XXXX
 Title: 2026 Sewer Rate and Capacity Charge Ordinance
 Affected Agency and/or Agencies: Wastewater Treatment Division, Department of Natural Resources and Parks
 Note Prepared By: Luke Slaughterbeck
 Date Prepared: 3/12/2025
 Note Reviewed By: Andrés Bas Moore Elena Davert, PSB
 Date Reviewed: 3/12/2025 4/15/2025

Description of request:

This legislation increases the sewer rate 7.50 percent from \$58.28 in 2025 to \$62.66 in 2026. The capacity charge would increase 2.5 percent from \$76.09 to \$77.99 for each residential customer equivalent for customers who connect in 2026. The revenue impact for the capacity charges continues after 2031 due to the 15-year billing period. The capacity charge for customers connecting in previous years remains at rates established for their year of connection.

Revenue to:

Agency	Fund Code	Revenue Source	2026-2027	2028-2029	2030-2031
Water Quality/WTD	4611	Customer Charges	83,047,948	84,084,939	85,125,581
Water Quality/WTD	4611	Capacity Charges	699,241	1,631,561	2,563,882
TOTAL			83,747,188	85,716,500	87,689,463

Expenditures from:

Agency	Fund Code	Department	2026-2027	2028-2029	2030-2031
Water Quality	4611	WTD	0	0	0
TOTAL			0	0	0

Expenditures by Categories

			2026-2027	2028-2029	2030-2031
			0	0	0
TOTAL			0	0	0

Does this legislation require a budget supplemental? No.

Notes and Assumptions: This legislation has no impact on any prior biennium. Revenue impacts were developed from assumptions included in the financial plan submitted with this legislation.

Proposed 2026 Sewer Rate and Capacity Charge and 2026-2045 Financial Forecast

April 2025



King County

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Executive Summary

Key Assumptions for the Proposed 2026 Sewer Rate and 2027-2045 Financial Forecast

The 2026 sewer rate process includes substantive changes from previous years. As recently as 2019, the sewer rate process was coordinated with the County's biennial budget period and included a limited-purpose financial forecast over the six-year Capital Improvement Program (CIP) period. Since 2020, the forecast was extended to 10 years, which required making forecast assumptions regarding completion of the Long-Term Control Plan (LTCP) for Combined Sewer Overflow (CSO) projects and in-progress negotiations over a proposed CSO Consent Decree (CD) modification with the state Department of Ecology (Ecology), U.S. Environmental Protection Agency (EPA), and the U.S. Department of Justice (DOJ). A key issue in that negotiation was whether the 2030 completion date would be extended. The CSO completion date assumed in the financial forecast has been 2040.

Since adoption of the 2025 sewer rate, the CD negotiations were completed with an extended 2037 end date, resulting in the University and Montlake CSO control project schedules being moved forward, and thus funding is required sooner in this year's forecast. Additionally, the largest project, the Mouth of the Duwamish CSO (MDCSO) program, has made progress toward a selected alternative and completed an updated cost estimate. The project cost estimate at completion has increased from \$1.9 billion to \$3.4 billion due to refined program definition and scope, market conditions and cost escalation, and improved cost validation and risk management.

In 2023, County Council Motion 16449 was adopted, requiring King County's Wastewater Treatment Division (WTD) to develop a long-term forecast methodology beyond the 10-year forecast period. The July 2025 final deliverable for the motion requirements aligns with timing of the 2026 sewer rate process since the 2026 sewer rate must be adopted by June 30, 2025. The 2026 sewer rate includes extension of the forecast to 20 years through 2045.

The proposed 2026 sewer rate reflects three substantive changes from the 2025 adopted rate: (1) extension of the forecast period to 20 years, (2) a finalized CD schedule reflecting 2037 completion, and (3) a large cost increase to the MDCSO project. A continued challenge for the County's WTD CIP includes the "stacking" problem of multiple concurrent and large capital needs. The three main drivers continue to be high-risk priority asset replacement and renewal investments, meeting contract obligations to serve new growth capacity, and substantial regulatory requirements.

There are also continued significant regulatory "known unknowns," including how nutrient regulations will affect CIP needs, especially since the Puget Sound General Nutrient Permit was recently invalidated by the state Pollution Control Hearings Board (PCHB No. 21-085). Given the uncertainty, WTD believes the CIP should continue to include comparably modest costs for initial optimization-level nutrient reduction. WTD and legal counsel will continue to monitor the status of nutrient litigation and regulation and endeavor to anticipate and respond to regulatory requirements and options.

This 2026 sewer rate proposal and forecast prioritizes necessary capital investments and investments to operate and maintain both the growing system and increasing regulatory requirements on the system.

Committee Engagement

Throughout 2024, WTD engaged the Metropolitan Water Pollution Abatement Advisory Committee's (MWPAAC) Rates and Finance Subcommittee on the sewer rate and related topics, including rate-setting methodology, cost estimation methodology, and capital program needs and forecasting. Beginning in January 2025, WTD engaged with MWPAAC and its Rates and Finance Subcommittee to share findings from early policy direction that informs the preliminary sewer rate forecast for 2026-2045. Details, rationale, and methodology were shared by WTD staff in these forums, including costs and timing of capital investments.

The process to develop the proposed 2026 sewer rate also included providing briefings to the Regional Water Quality Committee (RWQC) beyond the level of engagement provided to RWQC in past years. RWQC offered comment on the preliminary sewer rate forecast in February 2025 and on WTD's proposed sewer rate in March.

Feedback from MPWAAC and RWQC includes desire for more predictability in the rate forecasts and concern for the higher rate increases after 2026. WTD shares their concern for customer affordability and, as part of the RWSP update, is working to better characterize local affordability, develop metrics to measure it, and focus on actionable solutions.

Proposed Sewer Rate and Capacity Charge

The proposed 2026 sewer rate is \$62.66, or a 7.5 percent increase over the 2025 rate of \$58.28. The 2026-2045 sewer rate forecast shown in **Figure 1** includes smoothed annual increases rising from 7.5 percent in 2026, 12.75 percent in 2027 and 2028, and 13.5 percent in the 2029-31 forecast, followed by lower rate increases in 2032 and beyond.¹ A smoothed sewer rate forecast allows for the collection of revenues that exceed expenditures in a given year and are less than expenditures in subsequent years to fully fund the utility over the forecast period with less volatility. These proposed rate increases enable WTD to fund the projected CIP and sufficiently perform operations and maintenance.

Figure 1 Proposed 2026 Sewer Rate and 2027-2045 Forecast

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Increase %	5.75%	7.50%	12.75%	12.75%	13.50%	13.50%	13.50%	7.25%	7.25%	2.00%	2.00%
Monthly Sewer Rate	\$58.28	\$62.66	\$70.65	\$79.66	\$90.42	\$102.63	\$116.49	\$124.94	\$134.00	\$136.68	\$139.42
Rate Increase \$	\$3.17	\$4.38	\$7.99	\$9.01	\$10.76	\$12.21	\$13.86	\$8.45	\$9.06	\$2.68	\$2.74

	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Rate Increase %		2.00%	4.50%	4.50%	4.50%	1.75%	1.75%	1.75%	0.50%	0.50%	0.50%
Monthly Sewer Rate		\$142.21	\$148.61	\$155.30	\$162.29	\$165.14	\$168.03	\$170.98	\$171.84	\$172.70	\$173.57
Rate Increase \$		\$2.79	\$6.40	\$6.69	\$6.99	\$2.85	\$2.89	\$2.95	\$0.86	\$0.86	\$0.87

For reference, the 2025 sewer rate forecast is shown in **Figure 2**.

Figure 2 Adopted 2025 Sewer Rate and 2026-2034 Forecast

2025-2034 Rate Forecast	Adopted										
2025 Adopted Sewer Rate	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Increase %	5.75%	7.00%	7.00%	7.00%	8.25%	8.25%	8.25%	9.25%	9.25%	9.25%	
Monthly Sewer Rate	\$58.28	\$62.36	\$66.73	\$71.41	\$77.31	\$83.69	\$90.60	\$98.99	\$108.15	\$118.16	
Rate Increase \$	\$3.17	\$4.08	\$4.37	\$4.68	\$5.90	\$6.38	\$6.91	\$8.39	\$9.16	\$10.01	

The proposed capacity charge is \$77.99, or a 2.5 percent increase over the 2025 rate of \$76.09. The financial forecast incorporates capacity charge revenue increases as shown in **Figure 3**.

¹ In this context “smoothed annual increases” refers to avoidance of year-to-year volatility in the sewer rate.

Figure 3 Proposed 2026 Capacity Charge and 2027-2030 Forecast

Capacity Charge	2025	2026	2027	2028	2029	2030
Monthly Charge	\$76.09	\$77.99	\$79.94	\$81.94	\$83.99	\$86.09
Increase %	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Increase \$	\$1.86	\$1.90	\$1.95	\$2.00	\$2.05	\$2.10
Annual Total	\$913	\$936	\$959	\$983	\$1,008	\$1,033
Total Payments (15 years)	\$13,696	\$14,038	\$14,389	\$14,749	\$15,118	\$15,496
Upfront Payment*	\$9,684	\$9,926	\$10,174	\$10,429	\$10,690	\$10,957

*Discount rate of 5.05%

Introduction

King County Wastewater Treatment Division

The Wastewater Treatment Division (WTD) of the Department of Natural Resources and Parks (DNRP) is a utility providing wholesale wastewater treatment and major conveyance for 34 local sewer agencies (18 cities, 15 sewer districts, and the Muckleshoot Indian Tribe) in the Puget Sound region. Distributed over a 424-square-mile service area, the King County (County) sewer system collects and treats an average of 182 million gallons of sewage a day from approximately 2 million residents. WTD's service area map can be found in **Figure 4**.

WTD is responsible for the construction, operation, and maintenance of the County's regional wastewater conveyance and treatment system. The system includes three regional secondary treatment plants (West Point in Seattle, South Plant in Renton, and Brightwater in southern Snohomish County); 397 miles of conveyance lines; 48 pump stations; and 26 regulator stations.² Other WTD facilities include five combined sewer overflow (CSO) treatment plants, four CSO storage facilities, 39 CSO outfall locations, two secondary community-scale treatment plants (Vashon Island and Carnation), and one community septic system on Vashon Island.³

Local Sewer Agencies

WTD's service area is comprised of Local Sewer Agencies (LSAs), which include 18 cities and 15 sewer districts in King County, southern Snohomish County, northern Pierce County, and the Muckleshoot Indian Tribe.

LSAs contract directly with WTD for wholesale wastewater treatment services. WTD does not have a direct relationship with individual sewer ratepayers, except for Capacity Charge, High-Strength Surcharge, and Industrial Waste customers.^{4, 5} Engagement with the LSAs is accomplished through the MWPAAC and the Regional Water Quality Committee (RWQC). The sewage disposal contracts with the LSAs specify that the following year's sewer rate must be

² Secondary treatment includes aeration, settling, disinfection, and discharge through an outfall. Secondary treatment in conjunction with primary treatment removes about 85 to 90 percent of suspended solids in wastewater.

³ Combined sewer overflows (CSOs) are relief points in sewer systems that carry sewage and stormwater in the same pipe. When heavy rains fill the pipes, CSOs release sewage and stormwater into rivers, lakes, or Puget Sound. They prevent sewage backups into homes and businesses but can harm people and animals living in the water because they carry chemicals and germs.

⁴ "High strength" refers to more concentrated waste. The surcharge covers the additional operating cost of treating this waste at the treatment plant.

⁵ The capacity charge is billed to new connections to the system. The charge is assessed monthly for a term of 15 years from the date the new service is established and is based on the cost of system capacity necessary to serve a new connection.

determined before July 1 of the current year. This provides time for the LSAs to include the WTD rate in preparing budgets and proposing local sewer collection rates for the following year.

The LSA contracts define two customer classes for billing the sewer rate: single-family residential (SFR) and flow-based residential customer equivalents (RCEs). Flow-based RCEs include all other customer classes (commercial, multifamily, and industrial), and one flow-based RCE is equivalent to one SFR. The service contracts specify that each flow-based RCE equals 750 cubic feet per month of water usage. In addition to sewer fees, LSAs are invoiced for their customers' high-strength surcharge and industrial waste compliance and monitoring fees.⁶ To compensate for seasonal variation in water use, the service contracts provide for a quarterly rolling average to convert reported water use to billed RCEs. A list of the LSAs and their average 2024 reported RCEs is provided in **Figure 5**.

Financial Forecast

Utilities such as WTD are self-supporting enterprise funds and, therefore, must set fees to recover the cost of providing services.⁷ Utility costs include operations, maintenance, debt service, and building new capital infrastructure. Utilities must also account for cash requirements from financial policies, such as funding reserves and how capital projects are funded. The total revenue that must be generated by a utility, in any given year, to cover costs and meet financial policies is referred to as a utility's revenue requirement.

WTD's sewer rate and capacity charge are adopted annually and include development of a longer-term financial forecast. Initiated in response to Council Motion 16449, the rate forecast now extends to 20 years, instead of the previous 10. The proposed 2026 sewer rate and capacity charge are prepared in the context of the utility's revenue requirements over the 20-year financial forecast. This document will cover each element of the financial forecast (Operating Expenditures, Capital Expenditures, Reserves Management, and Revenue).

⁶ More information on compliance and monitoring fees can be found [here](#).

⁷ More information on enterprise funds can be found in the [WA State Administrative and Accounting Manual](#).

Figure 4 System Map

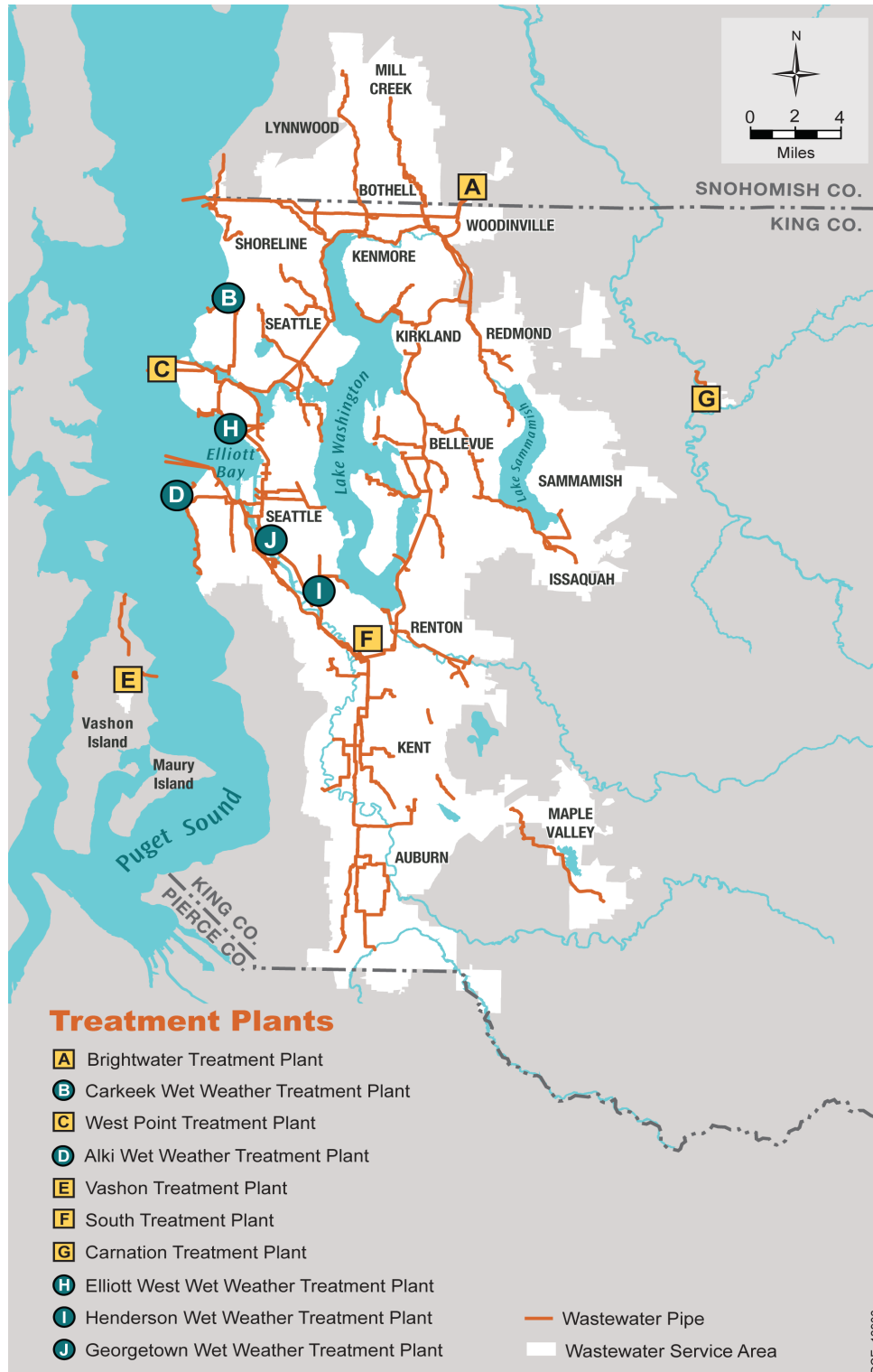


Figure 5 2024 Average Reported Residential Capacity Equivalents by Local Sewer Agency

	<u>Single Family RCEs</u>	<u>Flow-Based RCEs</u>	<u>Total RCEs</u>	<u>Percentage of Total (%)</u>
Local Sewer Agencies - Cities				
Algona	1,018	359	1,377	0.18%
Auburn	13,424	18,025	31,449	4.03%
Bellevue	32,965	30,564	63,528	8.15%
Black Diamond	2,279	119	2,398	0.31%
Bothell	5,133	3,889	9,023	1.16%
Brier	1,572	225	1,797	0.23%
Carnation	927	249	1,176	0.15%
Issaquah	7,078	6,393	13,471	1.73%
Kent	13,581	24,299	37,880	4.86%
Kirkland	10,390	5,743	16,133	2.07%
Lake Forest Park	3,626	445	4,071	0.52%
Mercer Island	7,194	1,444	8,638	1.11%
Pacific	1,557	985	2,542	0.33%
Redmond	15,578	17,915	33,493	4.29%
Renton	16,468	15,776	32,244	4.13%
Seattle	156,605	145,516	302,121	38.74%
Shoreline	15,502	4,975	20,477	2.63%
Tukwila	1,065	6,507	7,572	0.97%
Subtotal	305,960	283,426	589,386	75.58%
Local Sewer Agencies - Districts and Tribes				
Alderwood Water & Wastewater District	36,963	17,072	54,035	6.93%
Cedar River Water & Sewer District	4,170	1,376	5,547	0.71%
Coal Creek Utility District	3,338	1,401	4,739	0.61%
Cross Valley Water District	-	395	395	0.05%
Highlands Sewer District	105	2	106	0.01%
Lakehaven Utility District	1,136	9	1,145	0.15%
Muckleshoot Indian Tribe	353	108	461	0.06%
NE Sammamish Sewer & Water District	4,742	122	4,864	0.62%
Northshore Utility District	20,841	10,540	31,381	4.02%
Olympic View Water & Sewer District	215	1	216	0.03%
Sammamish Plateau Water & Sewer District	12,031	4,632	16,663	2.14%
Skyway Water & Sewer District	3,992	1,321	5,313	0.68%
Soos Creek Water & Sewer District	33,262	5,922	39,183	5.02%
Valley View Sewer District	7,160	9,823	16,983	2.18%
Vashon Sewer District	435	485	919	0.12%
Woodinville Water District	2,908	2,542	5,450	0.70%
Subtotal	131,650	55,749	187,398	24.03%
Non-Municipal Participants and Other Customers	-	3,039	3,039	0.39%
Grand Total	437,609	342,213	779,822	100.00%

Operating Expenditures

The utility's 2025 operating budget is the basis for forecasting operating costs for future years. The 2025 sewer rate and financial forecast included budgeted operating expenditures at \$224 million.

Figure 6 shows the 2024 preliminary actuals compared to the adopted budget, along with the 2024 budget with percent change, year over year. Of note, the County typically budgets on a biennial schedule, while the sewer rate is based on annual requirements. An annualized version of the biennial appropriation is used in rate-setting. Despite the appearance of over-budget expenditures in 2024, it was only an overspend estimate since appropriation remained from 2023, the first year of the biennium.

The 2025 operating expenses shown in **Figure 6** reflect the existing operating budget as originally adopted. However, WTD's spending forecast includes an assumption for a 2025 budget amendment, which is reflected in Attachment A and projected expenditures throughout the financial forecast.

Figure 6 2024-2025 WTD Operating Expenses (\$ '000s)

Expenditure Category	2024 Revised Budget	2024 Unaudited Actuals	2024 Budget to Actuals Variance	2024 % Budget Spent	2025 Budget	% Change 2024 to 2025
Salaries & Benefits	\$78,611	\$77,570	-\$1,041	98.7%	\$87,260	12.5%
Supplies	\$25,511	\$30,112	\$4,601	118.0%	\$30,452	1.1%
Services	\$42,332	\$49,859	\$7,527	117.8%	\$49,627	-0.5%
Intra-governmental	\$48,055	\$44,404	-\$3,651	92.4%	\$52,593	18.4%
Other	\$0	\$0	\$0	n/a	\$0	n/a
Total	\$197,909	\$205,478	\$7,569	103.8%	\$223,846	8.9%

Operating Forecast

Before the inflation surge that began in 2022, annual growth in WTD operating expenditures averaged nearly four percent per year. Including the recent high inflation years results in an annual average of 6.6 percent. This growth represents a composite of inflation, supporting new facilities that come online, and maintaining an aging and growing system. **Figure 7** shows the annual growth in operating expenditures going back to 2013.

Figure 7 Historical Annual Increase in WTD Operating Expenditures

Year	Operating Expenses	Annual Growth
2013	117,183	2.0%
2014	124,201	6.0%
2015	128,926	3.8%
2016	136,321	5.7%
2017	148,199	8.7%
2018	152,589	3.0%
2019	155,785	2.1%
2020	158,660	1.8%
2021	158,628	0.0%
2022	173,870	9.6%
2023	187,593	18.3%
2024	205,478	18.2%
Average		6.6%

WTD Operating Expenditures Forecast

In September 2024, a one-year extension of the Coalition Labor Agreement between the County and its labor partners through the Coalition of Unions went into effect. The agreement provided for a series of general wage increases for County staff, including a 5.5 percent increase for 2025.

Central service cost allocations to WTD are generated by internal service fund agencies and General Fund central agencies that provide those services.⁸ The general wage increase impacted most, if not all, of these agencies. Agencies may also be susceptible to industry-specific cost pressures.

The operating costs for WTD's base year (2026) forecast include adjustments for significant known increases such as electricity and chemicals, in addition to updated prices where recent inflation exceeded previous forecast assumptions. The growth in the operating costs assumption reflects increased staffing levels to better meet industry standards and the growing needs of aging facilities, capital project participation, and higher costs of biosolids transportation.

Beyond 2026, incremental operating costs are forecast based on general cost and labor cost inflation at four percent. Growth in operating costs is forecast as shown in **Figure 31**. Operations staffing needs factor into the near-term increased rate of operating cost growth to address current staffing needs and anticipated growth in required staff over the forecast period.

WTD needs additional operations staff to meaningfully address current and emerging needs over the next five years:

- In the last decade, WTD brought new facilities online with a minimal increase in operations staffing.
- WTD facilities are aging, requiring attention to address hundreds of minor repairs and adjustments each month.
- With a large capital portfolio, operations staff are needed to participate in the systems planning, design, construction, startup, and commissioning processes.

⁸ Central services are services received from other County agencies that are considered “central” agencies, such as King County Information Technology, Facilities Management, and County Human Resources

- Permit conditions are more complex, requiring more monitoring and adjustment to meet water and air quality requirements.
- Contracts and policy goals require that WTD reliably recover and put to beneficial use biosolids, biogas, recycled water, and sewer heat — all requiring operations staff.
- Jobs in operations are opportunities to recruit, hire, and train a next generation of WTD staff, to better reflect the communities WTD serves.

WTD is preparing the specific package of requested positions and related business cases for submittal in the 2026-2027 budget process. A portion of the identified staffing needs will be requested in 2026, and the remainder of requests are planned to be spread over following years.

Capital Improvement Program

Portfolio Management

Beginning in 2017, WTD focused on developing a more comprehensive and structured approach to managing its capital program. This work included the goal of aligning the mix of projects in WTD’s Capital Improvement Plan (CIP) with its strategic initiatives and overall mission. A pilot of this prioritization approach informed the 2019 sewer rate development and, since then, has been used to inform rate and budget-setting processes.

Projects are organized and prioritized within the following categories:

Figure 8 Capital Portfolio Category Descriptions

Category	Description
Asset Management Plants and Conveyance	Maintain level of service through the rehabilitation or replacement of critical assets.
Capacity Improvement	Increase capacity in WTD facilities to accommodate future growth.
Operational Enhancements	Reduce/improve operating costs at treatment plants through the delivery of projects that create efficiencies.
Regulatory	Deliver projects and programs that respond to permit, regulation, and/or consent decree legal deadlines.
Resiliency	Improve the survivability and operability of core assets against natural disasters through the delivery of projects that address known deficiencies.
Resource Recovery	Support the King County Strategic Climate Action Plan (SCAP) initiative through the delivery of projects that reduce energy use or recover valuable resources from wastewater.
Planning and Administration	Incorporate programs and projects that facilitate execution of the overall capital portfolio through a series of planning- and administration-related efforts.

2024 Performance and Accomplishment Rate

The capital accomplishment rate is the amount of actual or forecasted capital spending that occurs in the year compared with the amount of capital spending planned. WTD’s capital program accomplishment rate target of 85 percent for annual expenditures is evaluated against the actual spending in recent years to ensure it remains a valid performance indicator.

The 2024 aggregated projects forecast was \$401 million. For the 2025 sewer rate proposal, this forecast was reviewed for risk and was adjusted to \$316 million, or an effective accomplishment rate of 79 percent. The 2024 actual spend of \$313 million resulted in an accomplishment rate of 78 percent.

Drivers for this lower accomplishment rate include two large projects with significant underspend in 2024:

- The West Point Power Quality Improvement carried significant allowances for construction change orders and risk events in the 2024 Capital Expenditure Forecast. The project achieved substantial completion in October 2024 with little utilization of these allowances. The project spent \$24 million in 2024, or 57 percent of the forecasted \$42 million.
- The West Point Raw Sewage Pump Replacement project issued notice to proceed for construction in July 2024, however construction spending was not as aggressive as anticipated by the project team in the 2024 Spend Plan. The project also had a forecasted contingency allowance in 2024 that was not utilized. The project finished 2024 spending \$14 million, or 72 percent of the \$20 million forecasted.
- The forecasts for these two projects comprised 16 percent of the total 2024 CIP forecast. The other projects and programs in the CIP spent \$275 million out of the \$339 million that they forecasted, for an 81 percent accomplishment rate.

Figure 9 presents the historical accomplishment rate performance from 2015 through 2024.

Figure 9 Historical Accomplishment Rates for the Capital Program (\$ in millions)

Accomplishment Rate (AR)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital Improvement Program	\$191	\$207	\$211	\$246	\$262	\$247	\$291	\$360	\$386	\$401
Actual Annual CIP Spend	\$160	\$168	\$188	\$231	\$211	\$199	\$201	\$259	\$351	\$313
Actual Accomplishment Rate	84%	81%	89%	94%	81%	81%	69%	72%	91%	78%

Estimated CIP Spending for 2026-2045 Financial Forecast

To update the 10-year financial forecast, WTD estimates spending for active projects and develops conceptual forecasts for future projects and programs. Updates to project and program spending estimates consider changes in scope, risk, and schedule. While WTD prepares a 10-year capital forecast for sewer rate planning, the County budgets capital projects on a six-year CIP schedule. The capital component of the forecast’s second decade is based on long-term forecast methodology developed by Raftelis consultants to support WTD in response to Motion #16449 as interim financial estimates until the Regional Wastewater Services Plan provides the long-term capital project plan.

The following five projects are the largest individual components of WTD’s six-year CIP:

Mouth of Duwamish Combined Sewer Overflow

The Mouth of Duwamish Combined Sewer Overflow Program (MDCSO) is working to control five CSO outfalls in the area of the mouth of the Duwamish River.⁹ The outfalls (called Chelan, Hanford #2, Lander, Kingdome, and King Street) are located in the east and west waterways of the Duwamish River on both sides of Harbor Island and along the Seattle

⁹ A combined sewer system collects rainwater runoff and domestic wastewater into a single pipe and conveys it to a wastewater treatment plant. During heavy rain events, the amount of runoff can exceed the capacity of the system, resulting in a combined sewer overflow (CSO), where untreated wastewater and stormwater flows into nearby receiving waters. More information on WTD’s CSO control program can be found [here](#).

shoreline of Elliott Bay in the neighborhoods of SODO and West Seattle. This work fulfills consent decree requirements with the EPA and Ecology.¹⁰ The program team expects to wrap up the planning phase by Q2 2025 and will then share the proposed solution to control the five MDCSO outfalls.

West Point Electrical Improvements

This program will replace approximately 300 electrical assets, relocate an additional nine electrical assets, and coordinate these efforts with other electrical and asset replacement projects at West Point Treatment Plant (WPTP) in Seattle. WPTP was originally constructed in the early 1960s and underwent a major expansion during the 1991 Secondary Treatment Facilities project. As such, WPTP electrical assets from the Secondary Treatment Facilities project are more than 25 years old and are reaching the end of their life cycle. Additionally, assets installed during earlier WPTP construction are beyond the end of their life cycle and need replacement as soon as possible. Failure to replace these critical assets may result in diminished reliability, interrupted facility operations, and potential National Pollutant Discharge Elimination System (NPDES) permit violations. The program team forecasts that the improvements will be completed by 2032.

Elliot West Wet Weather Treatment Station

The Elliott West Wet Weather Treatment Station (EWWTS) project consists of new and upgraded treatment facilities to treat CSOs prior to discharge through the existing outfall in Elliott Bay. The project will make improvements that will result in full NPDES permit compliance at the EWWTS. Construction is anticipated to begin in 2027 and extend through 2033.

West Point Treatment Plant Raw Sewage Pump Replacement

The existing raw sewage pump (RSP) system was built in 1966, with a capacity of 440 million gallons of wastewater and stormwater per day. While the capacity remained at 440 million gallons per day, pumping untreated combined sewage over a long time has resulted in significant wear on the pumps.¹¹ The purpose of this project is to replace the RSP system and make seismic upgrades to meet National Fire Protection Association (NFPA 820) standards.¹² In addition, the project will also replace the existing boiler system prior to completion of the RSP replacement to provide heat necessary to maintain a stable treatment process. Notice to proceed for construction was issued in 2024 and the project is forecasted to be complete by 2030.

West Point Treatment Plant Critical Gate Refurbishment

The objective of this program is to restore full functionality to critical treatment plant wastewater flow control gates and their support systems at the WPTP in Seattle. Support systems include operators, hydraulics, and controls. Gates and support systems will be renewed or replaced in kind. The first two major projects identified under this program address the WPTP primary effluent gate and the chlorine mix structure gate. These projects are currently forecasted to be completed by 2028 and 2030, respectively.

Other Capital Projects

New projects, along with updated spending forecasts and schedules for the existing capital program, form the basis for developing the 10-year CIP for the financial forecast. The updated forecast includes continued deferral of pipeline

¹⁰ More information on CSO regulations and requirements can be found [here](#).

¹¹ More information on the WPTP Raw Sewage Pump system can be found [here](#).

¹² More information on the National Fire Protection Association is available on their [website](#).

capacity projects that have neither a population growth driver nor overflows within the last five years, so that capital delivery capacity can be dedicated to higher-priority system investments.

Figure 10 summarizes the capital investment strategy used to develop the proposed sewer rate forecast.

Figure 10 WTD CIP Investment Strategy

CIP Policy Topic	Basis for Investment Strategy
CSO Consent Decree Cost & Schedule	Moves forward project costs related to the CSO Consent Decree to meet 2037 end date. Includes recent cost updates to the Mouth of the Duwamish CSO control program.
Nutrient Removal - Ecology Permit	Includes Nitrogen Reduction Planning, Nutrient Reduction Evaluation Study, and Near-Term Optimization Capital Investments. Includes proactive/multibenefit investment to optimize nitrogen removal at South Plant as comparably modest investments while nutrient regulations are uncertain.
Asset Management Tier 1 Critical Inventory Projects	First decade: High-risk asset replacement and renewal inventory (Tier 1) Second decade: Continues remaining current high-risk inventory, then transitions to replacing assets at end of useful life; cost projected to year of replacement
Capacity Category	Includes conceptual forecasts for projects identified by the Treatment Planning Program and Conveyance System Improvements Program to address plant and conveyance system capacity limitations.
Capital Program Staffing	Assumes that a ramp-up of capital delivery continues as WTD continues to budget, hire, onboard, and train additional staff.

Capital Expenditure Delivery Capacity Analysis

WTD will have to increase its throughput of capital projects to plan, design, and deliver the CIP. As it is growing that capacity, care is being taken to not overcommit and secure funding beyond what can be delivered. To understand what can be delivered as the capital program grows, WTD conducted an analysis of historical capital output in relation to the number of WTD full-time equivalent employees (FTEs) dedicated to the capital program. The resulting metric projects an estimated capital spending target that reflects historic delivery capacity. This metric provides a proximate basis for estimating the annual capital program delivery along with staffing included in the forecast.

The analysis relied on several assumptions, including:

- New FTEs take two years to fully onboard and carry a project load equivalent to existing staff.
- Project staffing maintains the historical in-house-to-consultant ratio that for every \$1 spent on in-house direct labor; \$1.30 is spent on consultant contracts.
- The FTE count grows at the same rate as outsourcing to the consultant community.

WTD uses the approach of growing in-house staff while also relying on consultants because it:

- Meets equitable workforce development goals by deliberately recruiting and hiring a diverse workforce.
- Builds internal expertise and experience with the wastewater system, including the ability to learn and adapt as the challenges and complexities grow, reduce the learning curve, and quickly respond to emergent issues.
- Improves staff recruitment and retention by providing a variety of project assignments and opportunities for professional growth.

The financial forecast includes recognition of approaching milestones, including CSO costs. For the analysis, WTD assumed that these expenditures would be delivered by project teams that have an FTE-to-consultant ratio comparable to the distribution used by WTD in delivering the Brightwater Treatment Plant and Conveyance Megaproject.¹³

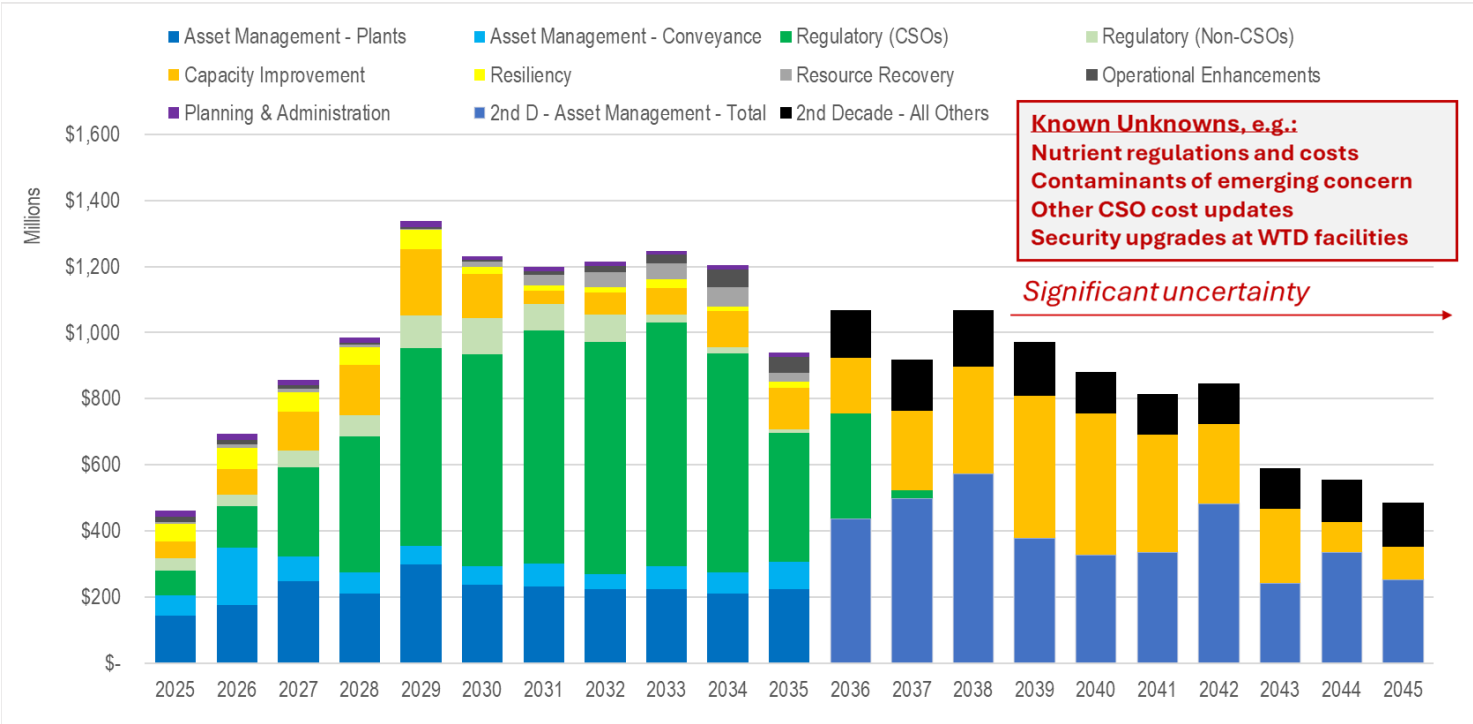
A delivery capacity adjusted forecast was developed for use in the sewer rate forecast so that WTD does not secure funding for more than what it is able to spend with its anticipated resources. It was developed by multiplying the historical average expenditure per FTE (\$944,140 in 2023 dollars) by the projected total productive FTEs each year (350 in 2025). Annual FTE additions were capped at 50 per year as the basis for a reasonably realistic recruiting and hiring assumption.

For the 2026 sewer rate, WTD sequenced current and conceptual projects to balance under the expenditures projected using this model. WTD is also beginning to model and forecast staff labor resources needed to deliver the identified capital program. This analysis will incorporate historical data indicating WTD labor resources needed to deliver projects of various sizes. The current resource constraint analysis is intended to identify how much WTD can reasonably expect to deliver. The second analysis supports planning and budgeting staff resources to deliver projects. WTD will continue to review and update these analyses as more data and experience is gained in the coming years.

¹³ The history of the construction of the Brightwater Treatment Plant and Conveyance Megaproject is [here](#).

Figure 11 shows the annual capital investments included in the proposed sewer rate and financial forecast in their respective portfolio categories.

Figure 11 Proposed Capital Investments by Portfolio Category for 20-Year Forecast



Capital Improvement Program Funding

The capital improvement program is funded by two primary sources: 1) cash generated from the sewer rate and capacity charge revenues; and 2) debt financing from revenue bonds or low-interest state and federal loan programs.

Cash Funding

Since 2023, WTD has used an original cost depreciation method for setting cash funding targets for its capital program.¹⁴ This method consists of targeting annual cash funding generated from sewer rate revenue, equivalent to WTD’s annual depreciation (including estimated new depreciation resulting from completion of projects in the CIP that become depreciating assets). The total forecasted depreciation over the next 10 years translates into approximately 28 percent of the total CIP. Cash-funding requirements are averaged over the next 10 years of the forecast period, allowing WTD to smooth rate increases and produce a more stable rate path.

Since the target cash funding is accumulated over the course of the year, a single year-end transfer to the construction fund from the operating fund makes the cash available for funding capital projects in the following year.

¹⁴ Depreciation is an accounting concept that divides an asset’s cost by its estimated useful life, representing how much that asset is expected to wear out or lose value every year. Original cost refers to the actual cost of an asset, rather than the cost adjusted for inflation.

Debt Financing

Debt financing is used to provide the remaining funds needed after the use of cash. Debt financing represents 72 percent of total project funding over the next 10 years. The main sources of debt available to WTD include state loans, federal Water Infrastructure Finance and Innovation Act (WIFIA) loans, and revenue bonds.¹⁵

As interest rates began rising in 2022, WTD successfully reduced its reliance on issuing new high-interest revenue bonds in 2022 and 2023. This was possible due to a large bond issuance in 2020 at record-low interest rates, low-cost commercial paper for interim financing, and the availability of state and federal loans at below-market interest rates.

Figure 12 shows the capital funding forecast and the use of various debt instruments secured to fund the capital program. The higher cash funding shown in 2025 is the result of a debt defeasance transaction postponed from November 2024 to February 2025.

Since state and federal loans work on a reimbursement basis, WTD needs to issue interim debt prior to being reimbursed for the project costs. Once reimbursed, WTD can retire the interim debt, which is then available for future projects that require interim financing. By 2031, WTD plans to draw on its \$284 million WIFIA loan to reimburse interim debt. This strategy is beneficial as WTD can use low-interest interim debt during the construction period while remaining eligible for an interest rate reduction, provided the loan remains undrawn, capital expenditures do not exceed 51 percent of total costs, and the 30-year U.S. Treasury rate is lower than when the loan agreement was first signed.

Figure 12 Capital Funding Sources

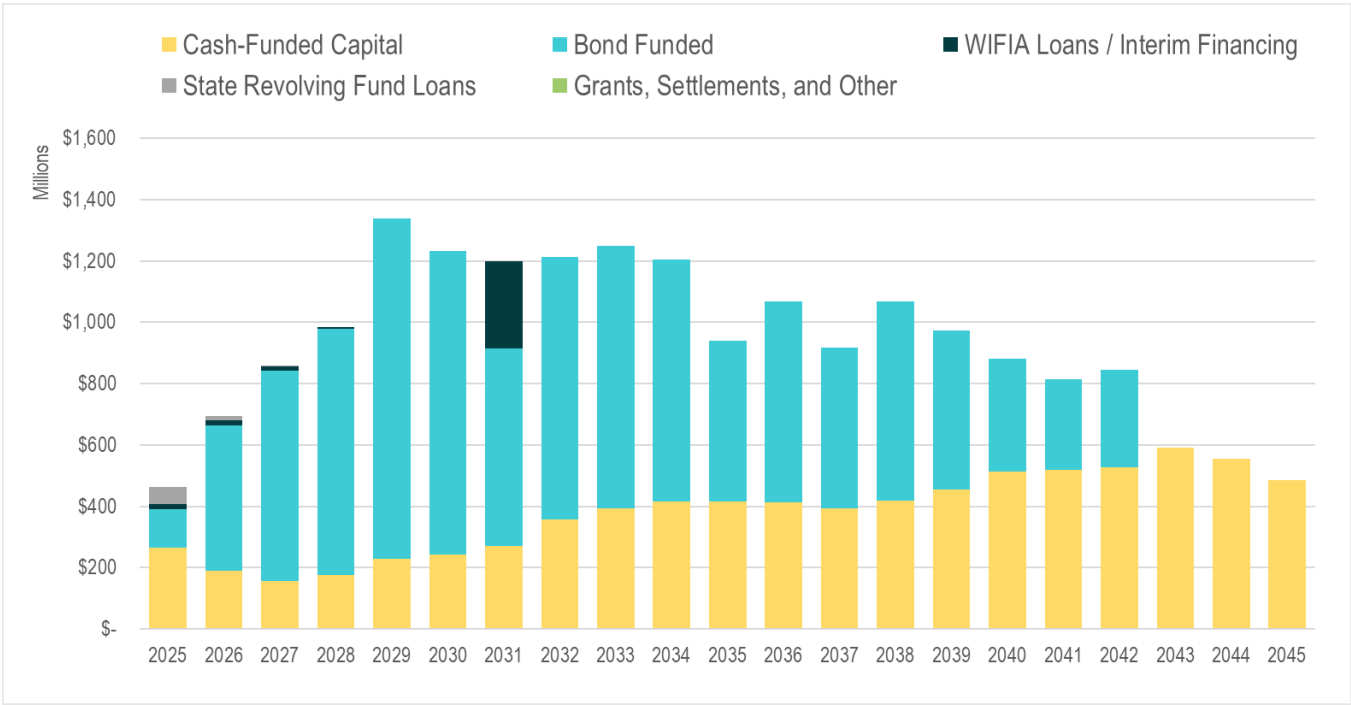


Figure 13 illustrates how, as existing debt is retired, repayment capacity is replaced by new debt issued to fund the capital program. **Figure 14** shows how WTD’s debt-to-asset ratio declines over time, demonstrating the higher cash funding percentage over time.

¹⁵ Debt financing occurs when WTD borrows from investors in the municipal bond capital markets or signs loan agreements with state and federal agencies.

Figure 13 Existing and New Debt Balances

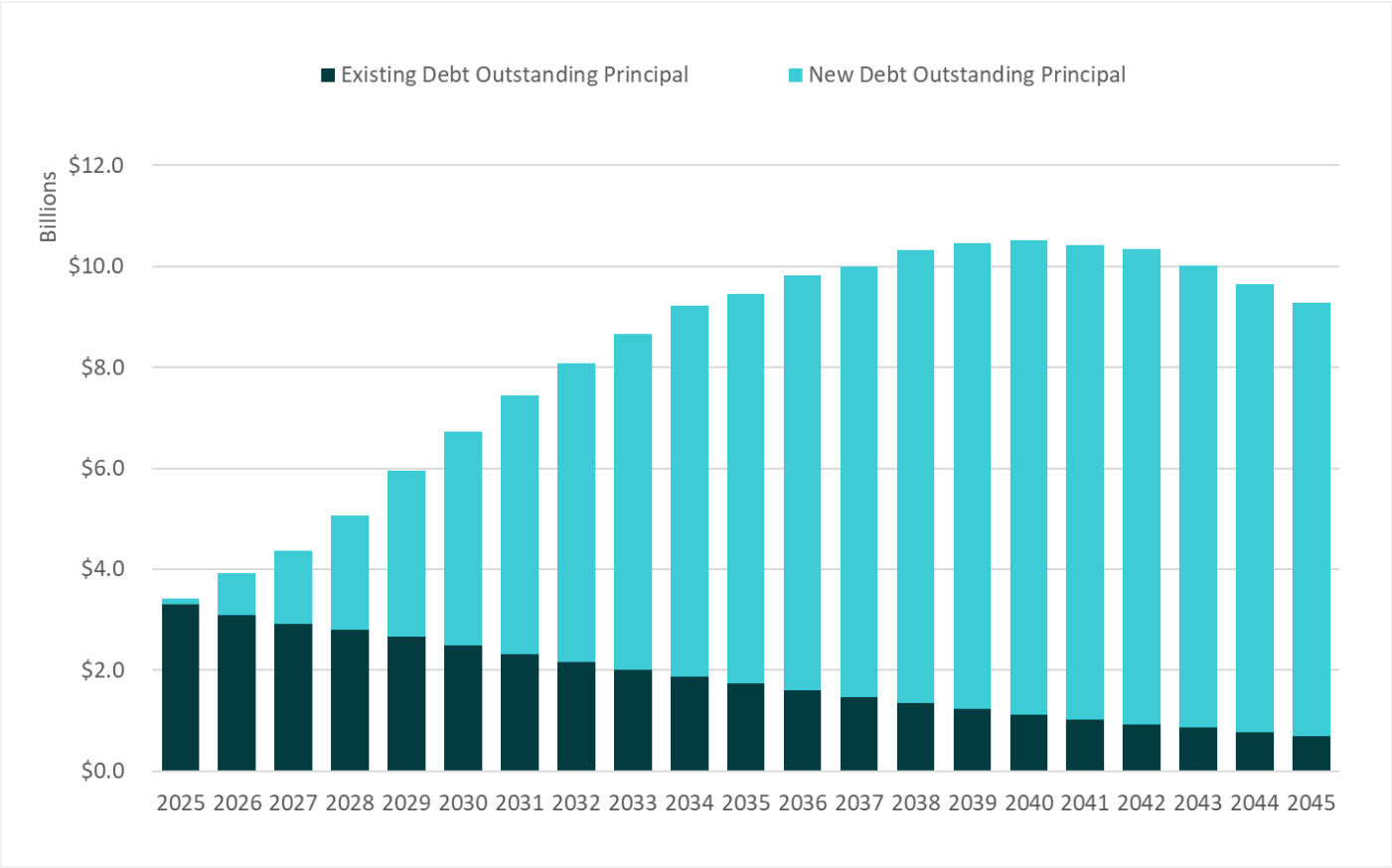
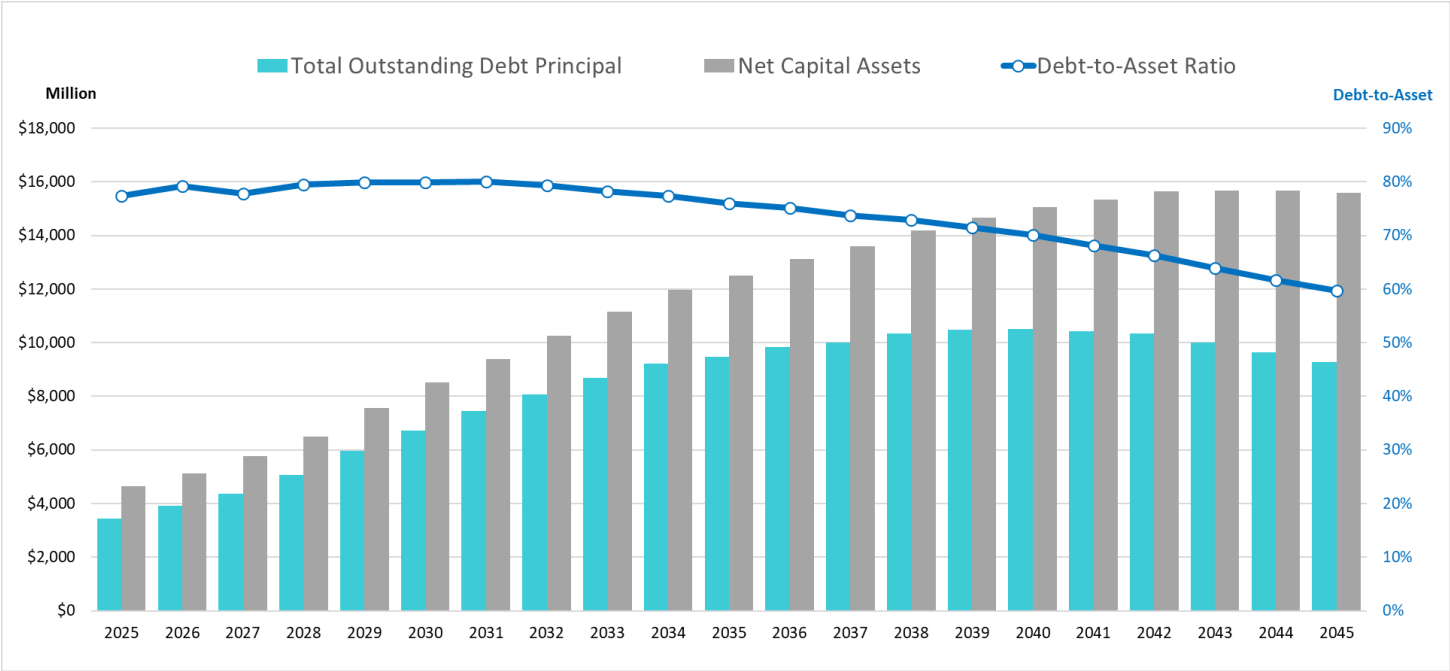


Figure 14 Debt to Asset Balance



State Revolving Fund Loans

Joint Ship Canal Water Quality Project. In 2022, the Joint Ship Canal project was awarded \$3 million in addition to \$23 million awarded in 2021, for a total of \$26 million at a 1.4 percent interest rate. The \$26 million state revolving fund (SRF) loan amendment was approved by Ordinance 19575 in February 2023. It will provide \$12.6 million in total savings over a 30-year period due to a low interest rate.¹⁶ WTD plans on drawing from this loan as construction progresses over the course of 2025 and 2026.

Multiple SRF Loan Agreements. In 2024, Council approved multiple SRF loan agreements with Ecology to support key wastewater projects. On February 27, Council approved a \$9.4 million SRF loan at 1.4 percent interest over 30 years for the West Point Passive Weir Emergency Bypass project.¹⁷ On September 24, Council approved two 20-year SRF loan agreements to fund \$10.2 million for the West Duwamish CSO Control project and \$14.9 million for the West Point Treatment Plant Raw Sewage Pump Replacement project at 1.2 percent interest.¹⁸ On December 10, Council approved two additional 20-year SRF loans at 1.2 percent interest, including \$1.1 million for the West Point Treatment Plant Grit Classifier Replacement project and \$8.1 million for the Sammamish Plateau Diversion project.¹⁹ The \$43.7 million in SRF funding will provide an estimated \$22.6 million in total savings over the life of the loans.

Water Infrastructure Finance and Innovation Act Loans

Joint Ship Canal Water Quality Project. In January 2021, WTD was awarded a \$96.8 million WIFIA loan at 1.69 percent interest, which will provide an estimated \$32.5 million in total savings over a 35-year period due to a low interest rate. In April 2024, WTD made its first \$9.6 million draw, with the final draw to occur by March 2028. WTD plans on drawing from this loan as construction progresses over the course of 2025 and 2026.

WIFIA Master Agreement. In January 2024, the County was awarded its first WIFIA Master Agreement for the King County Wastewater 2024 Improvement Projects in the amount of \$498.3 million. At the time of signing, the agreement was estimated to generate \$73.9 million in total savings. The Master Agreement will finance 11 water quality projects across four separate loan tranches over the eight years of construction. The first loan tranche was signed in conjunction with the Master Agreement in the amount of \$194.1 million at 4.4 percent interest for the group of West Point Treatment Plant projects. In December 2024, WTD signed its second loan tranche in the amount of \$89.9 million at 4.44 percent interest for two projects at South Plant. WTD plans to fund the projects with low-cost interim commercial paper and draw upon the loans at a later date.²⁰ Although the interest rate is higher than prior WIFIA loan agreements, WTD can apply for an interest rate reduction over the next several years, which would reduce WTD's expected debt service. The subsequent two loan tranches (totaling \$214.3 million) are slated to be signed in 2025 and 2026.

Proposed Legislation to Restore Tax-Exempt Advanced Refunding

Tax-exempt bonds are issued by state and local governments for public infrastructure projects. WTD uses tax-exempt bond financing as its primary source of long-term financing for the capital program. Investors who purchase these bonds are exempt from paying federal income tax on interest earnings, so they are willing to buy the bonds at a lower interest rate than those of conventional bonds, which translates as lower-cost debt to the borrower. Prior to the 2017 federal

¹⁶ Ordinance 19575 can be found [here](#).

¹⁷ Ordinance 19739 can be found [here](#).

¹⁸ Ordinance 19821 can be found [here](#) and Ordinance 19822 [here](#).

¹⁹ Ordinance 19876 can be found [here](#) and Ordinance 19874 [here](#).

²⁰ Commercial paper is a commonly used type of unsecured, short-term debt typically used for interim financing purposes with maturities ranging between one and 270 days. WTD can issue up to \$175 million in commercial paper for new money interim financing and \$250 million in aggregate for both new money interim financing and refunding purposes per [Ordinance 19114](#).

Tax Cuts and Jobs Act (TCJA), tax-exempt advance refunding bonds could be issued to refund outstanding tax-exempt debt with higher-than-current-market interest rates.²¹ The TCJA eliminated tax-exempt advance refunding bonds.

In May 2024, proposed federal legislation, H.R. 8396—LIFT ACT, the Local Infrastructure Financing Tools Act, was introduced in the U.S. House of Representatives. This is the most recent piece of legislation that would restore the tax-exempt status of advance refunding bonds.²² WTD is closely monitoring the viability of this effort as it moves through the legislative process and has prepared a list of potential refunding opportunities should the legislation be enacted.

The current restriction resulting from the TCJA on issuing tax-exempt advance refunding bonds does not limit the use of cash for advance refunding. In comparison with issuing tax-exempt advance refunding bonds, the ability to take high-interest-rate debt off the books through defeasance is limited by the utility's ability to generate cash from ongoing revenue sources.²³

The Financial Data Transparency Act of 2022

President Biden signed the Financial Data Transparency Act of 2022 (FDTA) into law in December 2022.²⁴ The FDTA sets forth a sequence of regulatory steps to implement structured data requirements for the securities markets, including the municipal bond market, with the goal of providing machine-readable, searchable, comparable (e.g., standardized), structured financial data to investors and others. Along with other federal financial regulatory agencies, the federal Securities and Exchange Commission (SEC) is required to adopt data standards, including municipal market data standards for information submitted to the Municipal Securities Rulemaking Board (MSRB). In developing these standards, the SEC is required to consult with municipal market participants and may consider the burden on smaller issuers.

The sequence of regulatory steps is expected to take place over the next year, with municipal market data standards adopted by December 2026. As the proposed scope and content of these standards becomes clearer, including rulemaking through SEC and MSRB, state and municipal issuers will have an opportunity to comment directly and through industry groups, and to take steps to be ready to comply with the final standards. WTD is following this development closely with bond counsel and the County's financial advisor.

Tender Offer

In 2024, WTD conducted its first tender offer transaction to produce cost savings. In a traditional current refunding, the County issues new bonds to repay existing bonds as soon as they become callable, typically 10 years after issuance.²⁵ This allows the County to replace high-interest debt with low-interest debt, reducing overall borrowing costs. A tender offer, on the other hand, allows the County to buy back outstanding bonds from investors before they become callable, but participation by the investor is voluntary. This strategy leverages the interest-rate environment to produce cost savings that would not otherwise exist through a defeasance or current refunding, particularly for low-coupon, tax-exempt, and taxable bonds. The County works with its underwriters in a negotiated deal to determine the purchase price of the bonds that encourages investors to sell their bonds while generating cost savings for the County. In 2024, WTD generated \$28.7 million in total savings and \$20.6 million in present-value savings (6.4 percent), surpassing the County's minimum present value savings threshold of 5 percent.

²¹ The Tax Cuts and Jobs Act can be found [here](#).

²² The LIFT - Local Infrastructure Financing Tools Act - can be found [here](#).

²³ Defeasance is the process of setting aside funds or assets to repay a debt or obligation, thereby releasing the debtor from further liability.

²⁴ The Financial Data Transparency Act can be found [here](#).

²⁵ The terms "callable" or "call date" refers to the point in time when the bonds can be prepaid or refinanced.

Defeasance

Cash generated from the funding policy can be used to directly fund capital spending or to pay down higher-interest outstanding debt. This accomplishes the same debt-balance outcome as directly cash-funding the CIP, while replacing high-interest-rate debt with lower-interest-rate new debt in the current market. A defeasance transaction usually occurs when interest rates are favorable enough to achieve maximum savings and meet the County's minimum savings threshold of 5 percent of the par amount of the refunded bond.²⁶ In February 2025, WTD generated \$8.6 million in total savings and \$7.2 million in present-value savings through this mechanism.²⁷

Figure 15 demonstrates how the use of the cash collected from sewer rate revenue for CIP funding can be used for defeasance and accomplish the same debt-balance management goal.

In the no-defeasance scenario, new bonds are issued and added to the debt balance at 60 percent of the annual CIP, while the remaining 40 percent is cash-funded. The sample ending debt balance in this scenario is \$800.

In the defeasance scenario, additional debt is issued to cover the full CIP (rather than 60 percent), which frees the cash from rates to pay down outstanding higher-interest-rate debt. There is an effective exchange of higher-interest-rate debt on the books for lower-interest-rate debt available at current market conditions. The sample ending debt balance in this scenario is also \$800.

Figure 15 Sample Defeasance

Capital Funding No Defeasance					
CIP	100	100	100	100	100
Cash from Sewer Rate Revenue	40	40	40	40	40
New Debt Proceeds	60	60	60	60	60
Total Funding	100	100	100	100	100
Beginning Debt Balance	500	560	620	680	740
Plus New Issuance	60	60	60	60	60
less: Defeasance	-	-	-	-	-
Outstanding Debt Balance Y-E	560	620	680	740	800
Capital Funding 100% Use of Cash for Defeasance					
CIP	100	100	100	100	100
Cash from Sewer Rate Revenue	40	40	40	40	40
New Debt Proceeds	100	100	100	100	100
Total Funding	140	140	140	140	140
Beginning Debt Balance	500	560	620	680	740
Plus New Issuance	100	100	100	100	100
less: Defeasance	(40)	(40)	(40)	(40)	(40)
Outstanding Debt Balance Y-E	560	620	680	740	800

²⁶ Par value is the amount that the issuer agrees to pay the bondholder upon maturity of the bond. It is also used to calculate the interest payments on the bond.

²⁷ "Present-value savings" assists in analyzing the current worth of future savings by taking the time value of money and interest rates into account. This can change based on interest rates and the year savings are realized.

Reserves Management

WTD maintains financial reserves that address minimums required by debt covenants (contracts), working capital targets, management of loan proceeds, and other capital resources, rate increase smoothing, and mitigation of revenue risk. This section describes those reserves and the reserve levels targeted in the financial forecast.

Figure 16 Summary of WTD Reserves²⁸

Reserve Name	Policy Goal or Purpose	Establishment	American Water Works Assoc. Description
Liquidity Reserve	10% of operating expenses (equivalent to 36 "days" of cash) plus \$5 million of ending cash balance in the capital fund	In 2012 by Motion 13798	Maintaining adequate operating reserves enhance a system's ability to manage potential risks, provides the ability to manage fluctuations in revenue, and the ability to meet working capital needs
Capital Emergency Reserve	\$15 million for "unanticipated system repairs or equipment replacement in the event of a natural disaster or some unforeseen system failure"	In 2012 by Motion 13798	Even with the most diligent capital planning efforts, utilities must be prepared for unplanned or accelerated capital projects
Rate Stabilization Reserve	Allow WTD to "adopt a multiyear sewer rate to provide stable costs to sewer customers" and "ensure that adequate funds are available to sustain the rate through completion of the rate cycle"	In 1999 by the RWSP adopted by Ordinance 13680	When specifically included in a utility's bond indenture, rate stabilization reserves can be used to help meet debt service coverage requirements during times of revenue shortfalls
Parity Bonds Debt Service Reserve*	Amount equivalent to the maximum annual debt service on outstanding senior lien debt (revenue bonds and WIFIA loans)	Bond covenants adopted by Bond Ordinances (most recent 19785)	Most often, a debt service reserve fund (DSRF) is established as a legal covenant of a debt issuance and is used in whole or in part to pay debt service in the event of a revenue shortfall
SRF Loans Debt Service Reserve**	Amount equivalent to the average annual debt service of each loan	Loan agreements adopted by individual ordinances	

*Springing amendment from Ordinance 18588 (2017) established that when bonds issued post amendment represent 51% of the total the reserve can be reduced or eliminated

**Ecology eliminated this provision for loans awarded after 2018

Water Quality Operating Fund 4611

Liquidity Reserve

The Liquidity Reserve is targeted to provide sufficient cash balances for variance of revenue and expenditures cycles throughout the year. The working capital target is established as 10 percent of operating expenditures in any given year. As a result, a reserve increase must be funded each year as operating expenditures increase. The proposed 2026-2045

²⁸ The following legislation is available on the King County Council website: [Motion 13798](#), [Ordinance 13680](#), and [Ordinance 19785](#)

financial forecast includes \$24.9 million in Operating Liquidity Reserve and \$40 million in Capital Liquidity Reserve for 2026.

Rate Stabilization Reserve

A Rate Stabilization Reserve (RSR) is unique in that bond covenants are written to allow that, in any given year, use of this reserve can be recognized as revenue eligible for inclusion in the bond coverage calculation. In years that WTD contributes to this reserve from Water Quality Fund revenues, that portion of revenue is deducted from the revenue basis for calculating bond coverage. This allows WTD to use reserves to manage rate levels without compromising the ability to meet annual bond coverage targets. Funds in the RSR also enhance the liquidity metrics used by the rating agencies when they evaluate WTD's credit quality.²⁹

WTD considers the use of reserve balances in the context of Ordinance 19782, which states that the RSR is for the purpose of smoothing rates between years.³⁰ Use of reserves represents a one-time resource, and excess reserves should be applied to one-time expenditures. There is no planned use of the RSR (\$46.25 million) in the proposed 2026-2035 sewer rate forecast.

Unrestricted Operating Balances

Funds exceeding minimum reserve levels in the Operating Fund at year-end are unrestricted and evaluated for optimal use. Some uses for unrestricted funds include potential transfer to the Construction Fund or contribution to defeasance transactions.

Water Quality Construction Fund 3611

Unrestricted Construction Fund Balances

WTD's Water Quality Construction Fund is where capital project costs are charged, loan proceeds are reserved and spent, transfers are received for cash-funded capital from the Operating Fund, and capital reserves, such as the Asset Management Reserve, are maintained. Accumulated reserves above the policy minimum are used to fund projects.

In 2024, WTD established a minimum \$35 million ending balance in the capital fund to complement its \$5 million capital liquidity reserve. This change reflects the increase in monthly capital spending since the inception of the policy. The Construction Fund balance is projected to end at the \$40 million liquidity reserve target in each year of the financial forecast.

Asset Management Reserve

The Asset Management Reserve is maintained as an emergency reserve and, as such, is not forecast to deviate from the \$15 million balance. This reserve could be an important resource if an asset failure should occur during a period of significant revenue constraint.

Debt Reserves 8921 and 8922

WTD's debt reserve minimums were originally established as a requirement in bond covenants or by the loan-granting agency. However, with 51 percent of bondholders consenting to the "Springing Amendment" through their purchase of parity bonds, WTD is no longer required to maintain an amount equal to the maximum annual debt service on

²⁹ Liquidity metrics refer to quantitative measures that evaluate an agency's ability to meet its financial obligations by assessing the availability of liquid assets (cash).

³⁰ [Ordinance 19782](#) is available on the King County website.

outstanding parity bonds in the Debt Service Reserve Fund (DSRF).^{31, 32, 33} In June 2024, Council approved Ordinance 19785, which not only authorizes the issuance of \$1.2 billion in senior lien debt, but it also provides the framework for the finance director to change the definition of reserve requirement. This means the County can create different reserve requirements for different sets of parity bonds, including the bonds themselves. The County could also lower any reserve requirement, even down to zero, in any calendar year, as long as it is less than the maximum annual parity debt service. WTD will receive recommendations on how to best utilize the \$145.3 million in the DSRF from the County's financial advisor, along with input from credit rating agencies. Currently, the DSRF meets this minimum requirement by maintaining a balance of \$174.9 million in the reserve fund. The balance consists of \$145.3 million in cash and investments and \$29.6 million in surety bonds.

Ecology had a reserve requirement but eliminated this provision for loans awarded after 2018. Reserves for pre-2018 Ecology loans decreased from \$13.5 million to just \$219,400 after the refunding of a group of loans in 2021 and the repayment of the Denny Way Elliott West Pipeline SRF loan.

Figure 17 Surety Bond Summary

Source	Provider	Amount	Moody's/S&P Rating	Expiration
Surety Bonds	National Public Finance Guaranty Corp.	\$ 5,010,273	A3/A	2035
	Assured Guaranty Municipal Corp.	\$ 4,880,916	A3/AA	2036
	Assured Guaranty Municipal Corp.	\$ 7,189,850	A3/AA	2036
	Assured Guaranty Municipal Corp.	\$ 12,500,001	A3/AA	2047
	Subtotal	\$ 29,581,040		
Cash and Investments		\$ 145,339,942		
Total		\$ 174,920,982		

Revenue

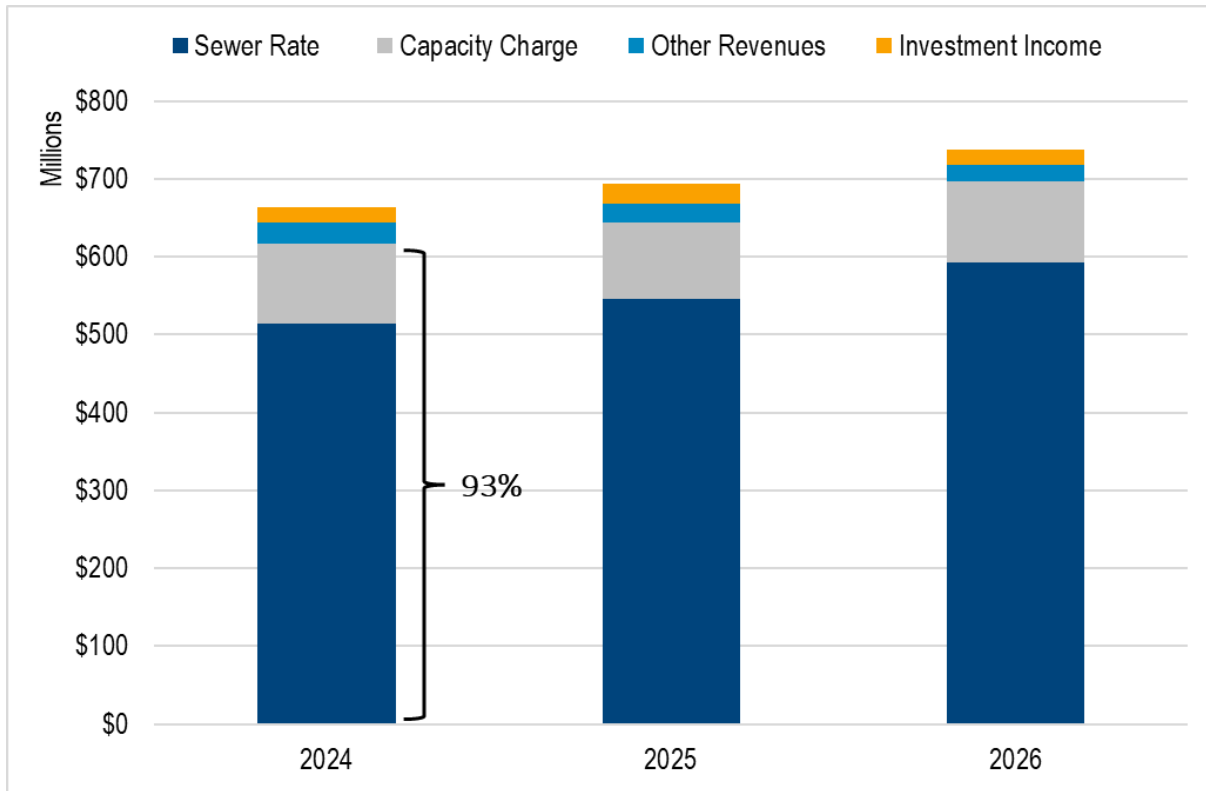
The sewer rate and capacity charge, together, made up 93 percent of total operating revenues for 2024. **Figure 18** shows WTD's 2024 revenue and projected 2025 and 2026 revenue by source.

³¹ [Ordinance 19785](#) is available on the King County website.

³² Parity Bonds are secured by a lien on sewer revenue and hold a priority in payment second only to operating and maintenance expenses.

³³ "Springing" refers to a provision within an Ordinance that activates certain conditions or changes to the current terms or requirements.

Figure 18 Operating Revenue Components Sorted by Size



Revenue Requirement

Two tests guide rate setting and determine a utility's annual revenue requirement: the cash test and the debt service coverage test.

Cash Test

The utility must first ensure that it can support its cash obligations, including operating expenditures, debt service repayment, and any financial policy targets, such as cash to fund the capital program.

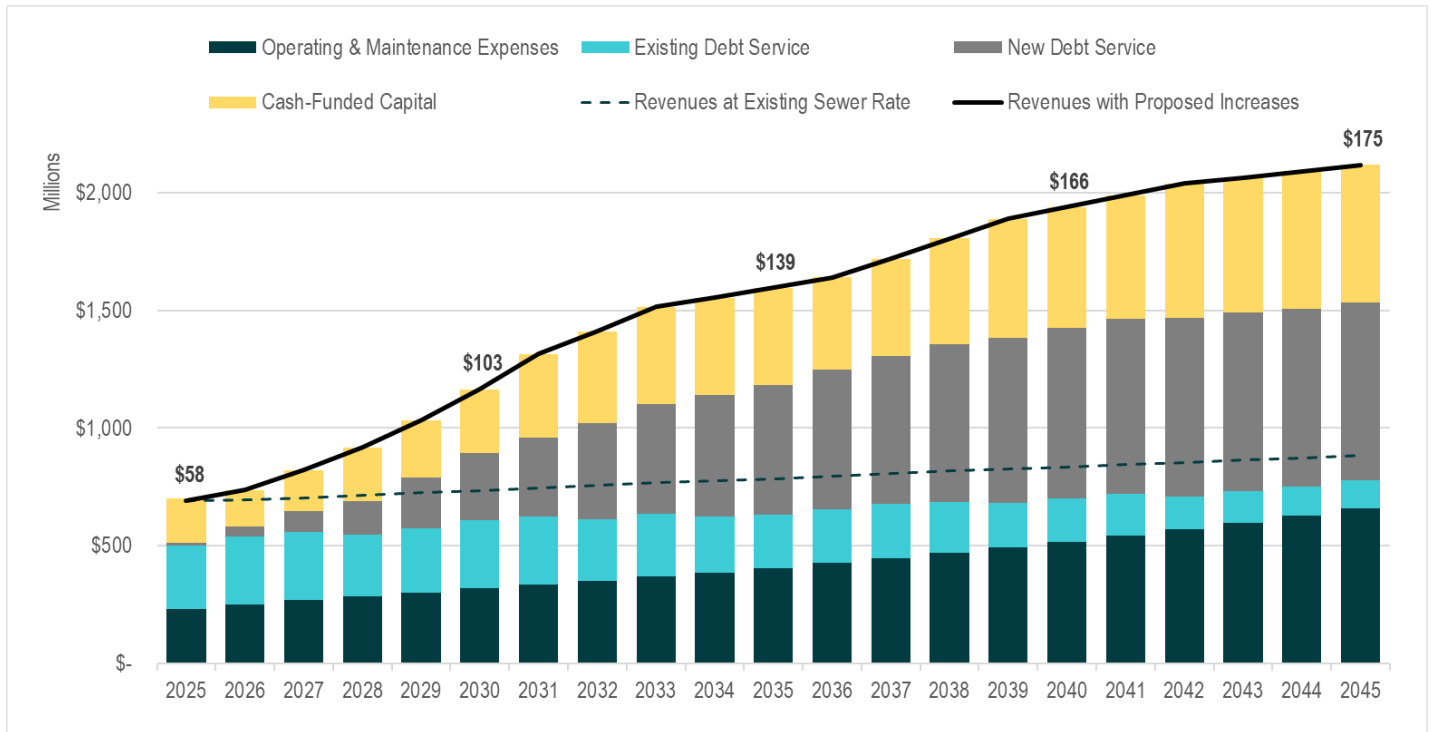
King County Code 28.86.160 Financial Policies state:

King County shall charge its customers sewer rates and capacity charges sufficient to cover the costs of constructing and operating its wastewater system. Revenues shall be sufficient to maintain capital assets in sound working condition, providing for maintenance and rehabilitation of facilities so that total system costs are minimized while continuing to provide reliable, high-quality service and maintaining high water quality standards.³⁴

Figure 19 shows the components that build to the total annual revenue requirement, compared with revenue under the existing sewer rate.

³⁴ The King County Code Title 28 can be found [here](#).

Figure 19 2025 - 2045 Sewer Rate Forecast Revenue Requirement



Beginning from the bottom of **Figure 19**, the first stack (dark blue) in the bar represents the annual operating and maintenance (O&M) expenses with projected inflation and growth. The second stack (teal) shows the debt service obligations for existing outstanding WTD debt. The third stack (gray) represents new debt service repayments generated by funding the capital program in this forecast. The top stack (yellow) represents the policy to cash-fund the capital program from revenue, at an amount based on annual depreciation.

The dashed line shows the forecasted level of revenue generated if the sewer rate were to remain at the current 2025 rate of \$58.28 for all years of the forecast, to demonstrate the utility's funding gap at the current rate. The solid line at the top of the bars shows the revenue meeting the annual requirement in each year based on the proposed rate forecast.

Figure 20 Proposed 2026 Sewer Rate and 2027-2045 Forecast [also available on page 4]

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Increase %	5.75%	7.50%	12.75%	12.75%	13.50%	13.50%	13.50%	7.25%	7.25%	2.00%	2.00%
Monthly Sewer Rate	\$58.28	\$62.66	\$70.65	\$79.66	\$90.42	\$102.63	\$116.49	\$124.94	\$134.00	\$136.68	\$139.42
Rate Increase \$	\$3.17	\$4.38	\$7.99	\$9.01	\$10.76	\$12.21	\$13.86	\$8.45	\$9.06	\$2.68	\$2.74
	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Rate Increase %		2.00%	4.50%	4.50%	4.50%	1.75%	1.75%	1.75%	0.50%	0.50%	0.50%
Monthly Sewer Rate		\$142.21	\$148.61	\$155.30	\$162.29	\$165.14	\$168.03	\$170.98	\$171.84	\$172.70	\$173.57
Rate Increase \$		\$2.79	\$6.40	\$6.69	\$6.99	\$2.85	\$2.89	\$2.95	\$0.86	\$0.86	\$0.87

Debt Service Coverage Ratio Test

The second revenue requirement test is the debt service coverage ratio (DSC) test. DSC is a financial metric used to assess an entity's ability to generate enough cash to cover its debt service obligations. DSC is calculated by taking free cash flow, cash available after paying for operation and maintenance, and dividing it by current debt obligations. DSC is broadly used in the industry and is of particular interest to rating agencies. MWPAAC recommended WTD maintain a DSC ratio above 1.40 in 2017 and WTD must maintain a DSC above 1.15 per bond Ordinance. The sewer rate proposal and financial forecast produce a DSC ratio of free cash flow to current debt obligations ranging from 1.47 to 1.77. As shown in **Figure 21**, WTD's historical coverage performance has increased steadily since 2016 and achieved a record-high DSC in 2024.

Figure 21 History of WTD DSC and Ratings

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
WTD All-in DSC Ratio	1.24x	1.33x	1.30x	1.32x	1.28x	1.33x	1.33x	1.36x	1.41x	1.51x	1.49x	1.58x	1.56x	1.57x	1.72x	1.77x	1.91x
S&P Rating	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+
Moody's Rating	Aa3	Aa3	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1

Sewer Rate

Sewer rate revenue is the largest component of WTD operating revenues at 79 percent. SFR customers make up 56 percent of the sewer rate customer base and are billed at one unit per household, regardless of water use. The remaining 44 percent of residential customer equivalents (RCEs) are comprised of commercial and multifamily customers in a combined rate class. An RCE is a unit used for billing purposes that converts reported water use (as a proxy for sewage flows) to the approximate equivalent of one SFR. As defined in the LSA contracts and King County Code 28.86.160, Financial Policy 15, one RCE is equal to 750 cubic feet of water usage per month.

Billing Structure

In contrast to the retail agencies that read meters and bill customers, either monthly or bimonthly, RCE reporting and billing are performed on a quarterly cycle. As shown in **Figure 22**, billings for the SFR class in a given quarter are based on RCEs reported in the quarter before the previous one (e.g., Q2 billing is based on Q4 reported).

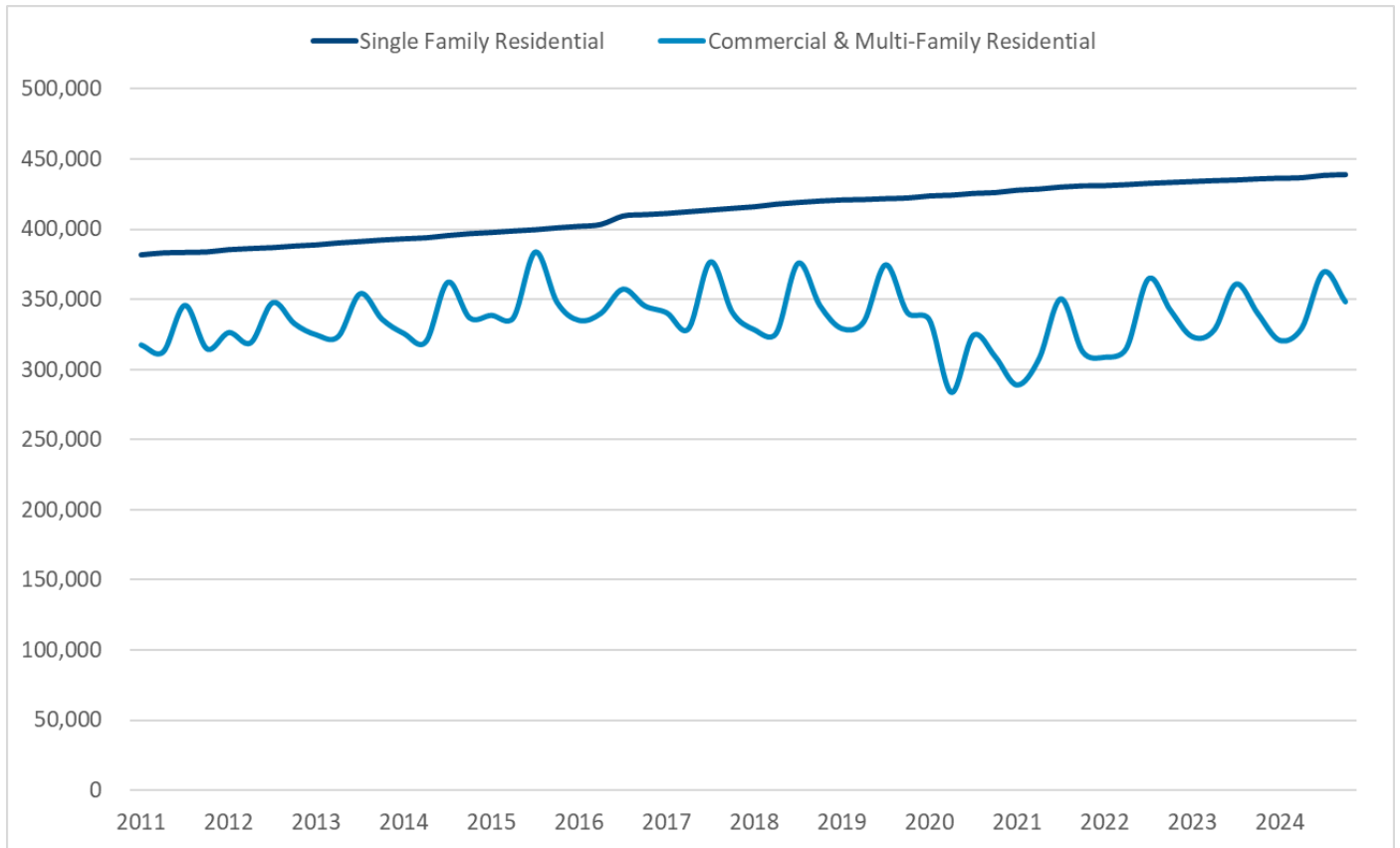
The commercial and multifamily billing structure includes additional delays because these billings are based on a quarterly rolling average of RCEs, with the intent to minimize variability of billings to the agencies.

Figure 22 RCE Reporting to Sewer Rate Billing Lag

	2024				2025	
	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24
Single Family Residential				Reported		Billed
Commercial / Multi-Family	Four quarter average					Billed

Figure 22 shows the historical trend in total customers billed since 2011.

Figure 23 Reported SFRs and Flow-Based RCEs by Quarter (2011-2024)



Historical Sewer Rate Increases

To provide context for the historical rate of growth to the revenue needs of the utility, rate increases since 1990 are provided in **Figure 24**. Since 1990, the average annual rate increase is 4.6 percent.

Figure 24 Historical Sewer Rate Increases (1990-2024)

Year	Sewer Rate	Percent Increase	Year	Sewer Rate	Percent Increase
1990	\$11.90	-	2008	\$27.95	0.0%
1991	\$13.20	10.9%	2009	\$31.90	14.1%
1992	\$13.80	4.5%	2010	\$31.90	0.0%
1993	\$13.62	-1.3%	2011	\$36.10	13.2%
1994	\$15.90	16.7%	2012	\$36.10	0.0%
1995	\$17.95	12.9%	2013	\$39.79	10.2%
1996	\$19.10	6.4%	2014	\$39.79	0.0%
1997	\$19.10	0.0%	2015	\$42.03	5.6%
1998	\$19.10	0.0%	2016	\$42.03	0.0%
1999	\$19.10	0.0%	2017	\$44.22	5.2%
2000	\$19.50	2.1%	2018	\$44.22	0.0%
2001	\$19.75	1.3%	2019	\$45.33	2.5%
2002	\$23.40	18.5%	2020	\$45.33	0.0%
2003	\$23.40	0.0%	2021	\$47.37	4.5%
2004	\$23.40	0.0%	2022	\$49.27	4.0%
2005	\$25.60	9.4%	2023	\$52.11	5.8%
2006	\$25.60	0.0%	2024	\$55.11	5.8%
2007	\$27.95	9.2%	2025	\$58.28	5.8%
Annual Average Change:					4.6%
Biennial Average Change:					9.5%

2026 Sewer Rate Proposal and 2026-2045 Forecast

After determining revenue requirements and revenue generated from other sources, the sewer rate proposal is developed to meet both the cash test and the DSC test. A monthly sewer rate of \$62.66 in 2026, which is a 7.5 percent increase, is proposed in the Ordinance.

While an increase in the rate forecast is proposed, the 2026 proposed rate is only slightly higher than the 7 percent forecast in the 2025 rate process. The 2026 updated rate forecast beyond the 2026 proposed rate include higher rate increases as shown in **Figure 25** and **Figure 26** below. Highlighted changes between rate forecasts include:

1. **Extending forecast from 10 to 20 years**—Initiated in response to Council Motion 16449, the rate forecast now extends to 20 years, instead of the previous 10. The extended forecast involves *significant uncertainty* in later years. Per the consultant report developed by Raftelis in response to Motion 16410, “rates are typically only forecasted for five years due to the uncertainties associated with long-term capital forecasting and future costs.” The report also found that peers develop greater certainty for projects’ scopes and costs across the project categories for the five- to 10-year projected capital budgets. Other than asset renewal/replacement, capital cost estimates beyond 10 years “were noted to be order of magnitude and subject to large changes.”
2. **CSO Consent Decree cost estimates and schedule**—WTD received updated cost estimates on the Mouth of the Duwamish Combined Sewer Overflow project mandated by the federal CSO consent decree. This estimated cost increased from \$1.98 billion to \$3.37 billion, as well as moving projected costs earlier in the project schedule. This resulted in steeper forecast rate increases than in the 2025 sewer rate process. Additionally, in 2024 WTD negotiated a modification to its CSO consent decree to a new completion date of 2037, three years sooner than it was assumed in previous rate forecasts.
3. **Revised approach to forecasting delivery constraints**—Formerly, WTD used an “Accomplishment Rate” that effectively deferred costs outside of forecast period. Beginning in 2026, project costs are now individually

sequenced within expected delivery capacity constraints, and early years in the forecast are adjusted for schedule risk, deferring a portion of the costs to later years. This means that \$2.3 billion of project costs previously deferred outside the 10-year forecast period are fully represented in the 20-year forecast period.

4. **O&M increases to meaningfully address operational needs over the next five years**—WTD is prioritizing necessary investments to operate and maintain both the growing system and increasing regulatory requirements on the system.

Figure 25 Adopted 2025 Sewer Rate and 2026-2034 Forecast

2025-2034 Rate Forecast	Adopted										
2025 Adopted Sewer Rate	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Increase %	5.75%	7.00%	7.00%	7.00%	8.25%	8.25%	8.25%	9.25%	9.25%	9.25%	
Monthly Sewer Rate	\$58.28	\$62.36	\$66.73	\$71.41	\$77.31	\$83.69	\$90.60	\$98.99	\$108.15	\$118.16	
Rate Increase \$	\$3.17	\$4.08	\$4.37	\$4.68	\$5.90	\$6.38	\$6.91	\$8.39	\$9.16	\$10.01	

Figure 26 Proposed 2026 Sewer Rate and 2027-2045 Forecast [also available on page 4]

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Increase %	5.75%	7.50%	12.75%	12.75%	13.50%	13.50%	13.50%	7.25%	7.25%	2.00%	2.00%
Monthly Sewer Rate	\$58.28	\$62.66	\$70.65	\$79.66	\$90.42	\$102.63	\$116.49	\$124.94	\$134.00	\$136.68	\$139.42
Rate Increase \$	\$3.17	\$4.38	\$7.99	\$9.01	\$10.76	\$12.21	\$13.86	\$8.45	\$9.06	\$2.68	\$2.74
	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Rate Increase %		2.00%	4.50%	4.50%	4.50%	1.75%	1.75%	1.75%	0.50%	0.50%	0.50%
Monthly Sewer Rate		\$142.21	\$148.61	\$155.30	\$162.29	\$165.14	\$168.03	\$170.98	\$171.84	\$172.70	\$173.57
Rate Increase \$		\$2.79	\$6.40	\$6.69	\$6.99	\$2.85	\$2.89	\$2.95	\$0.86	\$0.86	\$0.87

Capacity Charge

Since 1990, King County has levied a capacity charge on structures with new connections to the sanitary sewer system.^{35, 36, 37} This charge is paid over 15 years and is in addition to the monthly sewer bill assessed by the LSA. Newly connecting customers are directly billed by King County for the capacity charge. The capacity charge rate is set annually by the County Council and is \$76.09 per month over the 15-year payment period for properties connecting in 2025.

The Revised Code of Washington (RCW) 35.58.570 authorizing the capacity charge states:

(1) A metropolitan municipal corporation that is engaged in the transmission, treatment, and disposal of sewage may impose a capacity charge on users of the metropolitan municipal corporation's sewage facilities when the user connects, reconnects, or establishes a new service to sewer facilities of a city, county, or special district that discharges into the metropolitan facilities. The capacity charge shall be based upon the

³⁵ More information on the King County Capacity Charge can be found [here](#).

³⁶ In 1992, voters approved an amendment to the County's charter that authorized the merger of King County with the Municipality of Metropolitan Seattle (Metro), with the phased merger effective in 1994. More information on the merger is available [here](#). As successor to Metro, the County assumed Metro's rights and obligations, including authority to impose the capacity charge.

³⁷ Revised Code of Washington [35.58.350](#)

cost of the sewage facilities' excess capacity that is necessary to provide sewerage treatment for new users to the system.

(2) The capacity charge is a *monthly charge* reviewed and approved annually by the metropolitan council.³⁸

Currently, state statute does not allow the County to require up-front payment of the capacity charge, which is the most common industry approach to new development charges, such as impact fees and utility connection charges.³⁹ The monthly charge reference is unique to the authorizing language for metropolitan municipal corporations and is not included in RCW authority for city and special-purpose district connection charges that share much of the same language.⁴⁰

King County Code 28.86.160 Financial Policies state: "The capacity charge may be paid by new customers in a single payment or as a monthly charge at the rate established by the council..."

Customers may elect to pay the capacity charge in one lump sum or be billed quarterly based on the monthly rate for 15 years. The charge is linked to the property, meaning that the charge transfers between owners of the property until the capacity charge is paid off.

Capacity Charge Rate Structure

In 2020, the County approved updates to the rate structure of the capacity charge.⁴¹ As of January 1, 2021, the County began using small, medium, and large classes for newly connecting single-family residential properties. The classification differential is based on data that links the home size to average persons per household, and average persons per household to capacity demands from the connecting property.

The RCEs assigned to single-family homes is based on size: small (<1,500 sq. ft. = 0.81 RCE), medium (1,500–2,999 sq. ft. = 1 RCE), and large (>3,000 sq. ft. = 1.16 RCE).

Using persons-per-household data also resulted in an update to RCEs assigned to multifamily units. King County Code provides a permanent classification for accessory dwelling units, such as backyard cottages and basement apartments, set at 0.59 RCE per unit.⁴²

Multifamily structures are billed by unit at 0.81 RCEs for two to four units and 0.64 RCEs for five or more units.

Commercial structures are billed based on fixture counts and/or flows.

A list of historical capacity charge rates from 2003 is provided in **Figure 27** below.

³⁸ Revised Code of Washington [35.58.570](#)

³⁹ A 2015 internal WTD survey of utility connection charges for 18 comparable agencies nationwide included data on when the charge is assessed to new connections for 13 of the 18 agencies. Of the 13, 100 percent required payment at the time of permitting or service application. Only WTD did not require payment as a condition of development through the permitting/service application process.

⁴⁰ [RCW 35.92.025](#) for Cities and Towns, and [RCW 57.08.005](#) for Districts.

⁴¹ More information on the capacity charge review study can be found [here](#).

⁴² [King County Code 28.84.050 O.3.](#)

Figure 27 Historical Capacity Charge Increases (2003-2025)

Year	Capacity Charge (Monthly)	Percent Increase
2003	\$17.60	
2004	\$18.00	2.3%
2005	\$34.05	89.2%
2006	\$34.05	0.0%
2007	\$42.00	23.3%
2008	\$46.25	10.1%
2009	\$47.64	3.0%
2010	\$49.07	3.0%
2011	\$50.45	2.8%
2012	\$51.95	3.0%
2013	\$53.50	3.0%
2014	\$55.35	3.5%
2015	\$57.00	3.0%
2016	\$58.70	3.0%
2017	\$60.80	3.6%
2018	\$62.60	3.0%
2019	\$64.50	3.0%
2020	\$66.35	2.9%
2021	\$68.34	3.0%
2022	\$70.39	3.0%
2023	\$72.50	3.0%
2024	\$74.23	2.4%
2025	\$76.09	2.5%

Capacity Charge Updates

WTD's regular updates to the underlying assumptions are guided by the King County Code 28.86.160, Financial Policy 15, which states: "Customer growth and projected costs, including inflation, shall be updated every three years beginning in 2003. The county should periodically review the capacity charge to ensure that the actual costs of system expansion to serve new customers are reflected in the charge."⁴³

The 2023 capacity charge update was planned to be a transition from the County's Regional Wastewater Service Plan (RWSP) to an updated comprehensive plan for the WTD system. The comprehensive plan for the utility serves as the basis for projecting the number of customers, capital projects needed for capacity, and financial assumptions.⁴⁴ The timing of this transition depended on progress of the regional plan update. The plan update was paused in 2021 to consider feedback and due to regulatory uncertainty for the Nutrients and Combined Sewer Overflow Consent Decree; the update resumed in 2024.

Ordinance 19403 passed on March 8, 2022, and provided time to incorporate the updated regional planning inputs and develop the policy updates for the capacity charge methodology work that is in progress.⁴⁵ It deferred the update of customer growth and projected costs scheduled for transmittal to the Council with the proposed 2023 sewer rate in 2022. The update was deferred until the next annual sewer and capacity charge rate proposal following the Council's approval of an update to the RWSP or until 2024, whichever came first, and 2024 came first.

⁴³ The King County Code Title 28 can be found [here](#).

⁴⁴ Information on the RWSP is available [here](#).

⁴⁵ King County Ordinance 19403 can be found [here](#).

The 2024 capacity charge update utilized the existing capacity charge methodology established in 2003 and calculated the proposed capacity charge rates for 2025 and 2026. This methodology work is resuming, and an updated methodology is anticipated to be in place ahead of the next three-year update cycle.

Figure 28 shows the 2026 proposed capacity charge of \$77.99 and projects the charge and related lump-sum elective payment option for the forecast period.

Figure 28 Proposed 2026 Capacity Charge and 2027-2030 Forecast [also available on page 5]

Capacity Charge	2025	2026	2027	2028	2029	2030
Monthly Charge	\$76.09	\$77.99	\$79.94	\$81.94	\$83.99	\$86.09
Increase %	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Increase \$	\$1.86	\$1.90	\$1.95	\$2.00	\$2.05	\$2.10
Annual Total	\$913	\$936	\$959	\$983	\$1,008	\$1,033
Total Payments (15 years)	\$13,696	\$14,038	\$14,389	\$14,749	\$15,118	\$15,496
Upfront Payment*	\$9,684	\$9,926	\$10,174	\$10,429	\$10,690	\$10,957

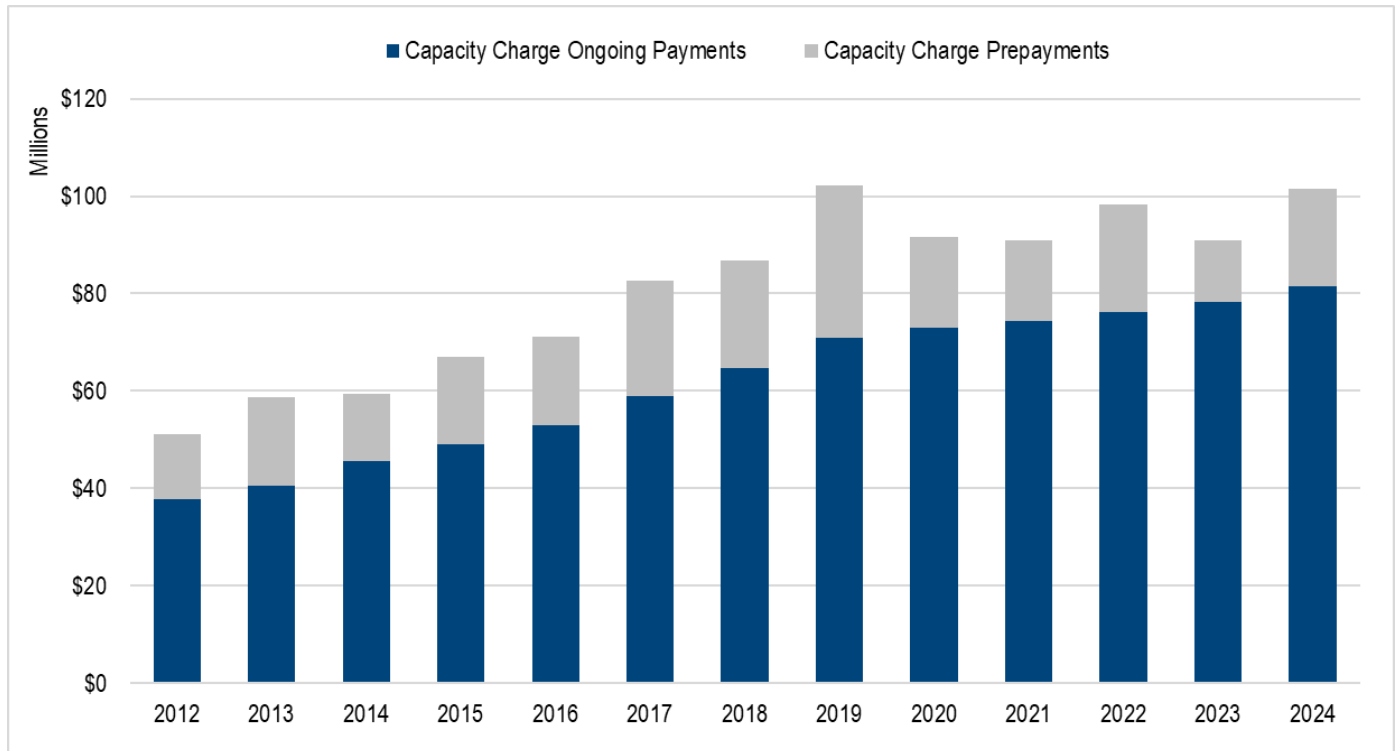
*Discount rate of 5.05%

Capacity Charge Revenue Forecast

The majority of capacity charge revenue comes from regular capacity charge customer billings, with the rest coming from elective pre-payments. Ongoing payments are stable, while pre-payments vary significantly from year to year and are difficult to forecast.

Figure 29 shows the historical split between ongoing payments and elective pre-payments for the last 13 years (2012-2024). Until 2019, ongoing capacity charge pre-payment revenues grew at an average annual rate of more than 9 percent, driven by a regional construction boom that added large numbers of new connections every year. The growth rate slowed significantly during 2020-23, before increasing again in 2024. Capacity charge pre-payments have ranged between 14 to 31 percent of total capacity charge revenues, without a clear, discernible pattern from one year to the next. Pre-payments in the global COVID-19 pandemic-impacted years of 2020 and 2021 decreased to levels close to the averages seen before the record-high years of 2017, 2018, and 2019. The full capacity charge revenue forecast can be found in the Appendix.

Figure 29 Historical Capacity Charge Ongoing Payments and Prepayments (2012-2024)⁴⁶



Capacity charge revenues are forecasted based on an analysis of connection growth and the percentage of prepayments in any given year. This results in an overall capacity charge revenue increase of 3 to 7 percent per year throughout the forecast period, as shown in **Figure 32**.

Other Revenues

Interest earnings

Interest earnings, also known as investment income, is revenue obtained by the County's Water Quality Fund through investments of its cash balances in the King County Investment Pool (Pool). The Pool pursues a low-risk investment strategy that prioritizes the availability of funds for its participating agencies to meet daily cash-flow requirements. In 2024, WTD cash balances averaged approximately \$630 million throughout the year, which included cash balances for all WTD reserve accounts.

Interest-rate forecasts for the Pool come from King County's Office of Economic and Financial Analysis. The 2025 interest rate is estimated to be 3.9 percent.⁴⁷ Changes to interest rates have a limited impact on WTD revenues, representing less than 1 percent of total revenue. Any reduction of interest earnings is significantly offset by savings from a lower cost of debt.

High-Strength Surcharge, Septage, Resource Recovery

Other WTD income is generated from more than 25 separate revenue sources. The largest of these sources come from the high-strength surcharge, resource recovery activities (methane sales with renewable identification numbers, or

⁴⁶ Ongoing payments include penalty fees that have ranged between \$0.4 million and \$1.3 million a year.

⁴⁷ The August 2024 forecast is available [here](#).

RINs), and septic hauler fees.⁴⁸ The high-strength surcharge recovers the additional operating costs imposed by treating high-strength wastewater and is defined by King County Code (KCC 28.84.060 (M) (3)). In 2025, the rate was \$0.4419 per pound of biological oxygen demand, and \$0.4715 per pound of total suspended solids. WTD conservatively assumes that RINs revenue will decrease from over \$7 million in the last few years to \$4 million after 2025, due to the risk of changes to existing regulatory framework under a new federal administration. Septic hauler fees have declined by about 25 percent since 2022, from \$4 million to \$3 million. Per conversations with septic haulers, this is related to the opening of a private facility in Sumner that opened at that time and diverted some of septage treated. Due to this, septage revenues are not forecast to increase. Most of the other revenue components are forecast at 3 percent annual growth.

Reference

Supplemental WTD Debt Information

Figure 30 2024 Year-End Outstanding Debt Balances⁴⁹

Sewer System Obligations	Amount Outstanding	Final Maturity	Ratings
Parity Bonds (Senior Lien)	2,047,647,400	2055	Aa1/AA+
Parity Lien Obligations (LTGO)	697,935,000	2045	Aaa/AAA
Junior Lien Obligations	355,875,000	2042	Aa2/AA
Multi-Modal LTGO/Sewer Revenue Bonds	100,200,000	2050	Aaa/AAA
State SRF and PWB Loans	297,377,846	2056	
Total Sewer Obligations	3,499,035,246		

Types of WTD Financing

Bonds

Sewer revenue bonds are secured by a pledge of revenue of the sewer system, subject to payment of all operating and maintenance expenses of the sewer system. When revenue bonds are additionally backed by a pledge of the full faith and credit of the issuer (meaning the County's General Fund revenue and taxing power), the bonds are referred to as limited tax general obligation (LTGO) bonds. Sewer revenue bonds can also be issued at the junior lien, which is subordinate to both senior lien sewer revenue bonds and LTGO bonds.

State Loans

WTD receives loans from Ecology under the SRF Loan Program and from the Washington State Department of Commerce's Public Works Board.⁵⁰ The loans require either semi-annual or annual payments of principal and interest from 2025 through 2056, and bear interest at stated rates from 0.5 percent to 2.7 percent. As of December 31, 2024, the balance due on all state loans is \$297.4 million. State loans are secured by a subordinate lien on the net revenues of the system.⁵¹

⁴⁸ A RIN is a serial number assigned to a batch of [biofuel](#) for the purpose of tracking its production, use, and trading.

⁴⁹ Excludes principal payments from January 1, 2025, that had already been transferred to the debt service fund in December 2024.

⁵⁰ More information on the Public Works Board can be found [here](#).

⁵¹ "Subordinate" liens are those that can only be paid after more senior liens are released.

WIFIA Loans

WIFIA is an established federal loan program administered by the EPA for eligible water and wastewater infrastructure projects. The WIFIA program accelerates investment in the nation's water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects at a maturity similar to the U.S. Treasury rates. The WIFIA loans, after draws are made, are secured by a pledge of revenue from the sewer system, subject to payment of all operating and maintenance expenses of the sewer system. As of December 31, 2024, WTD has successfully secured and received four federal WIFIA loan agreements, totaling \$398.5 million.⁵²

Commercial Paper

The Commercial Paper (CP) program provides low-cost, flexible, interim financing for WTD capital projects. Its main purpose is to provide interim financing to pay for WTD's capital projects pending permanent financing from state and federal loans. CP has also been utilized to refund high-interest outstanding debt and serve as a permanent element of WTD's variable-rate debt portfolio. As of December 31, 2024, WTD has \$100.2 million in outstanding commercial paper debt.

Variable-Rate Debt

King County Code 28.86.160, Financial Policy 14, limits the utility's variable-rate debt exposure to a maximum amount equal to 20 percent of all outstanding debt and, currently, WTD uses a target of 15 percent in the financial forecast. WTD's initial variable-rate issuance was its \$100 million CP program in 1996. As of December 31, 2024, WTD has expanded its variable-rate portfolio to \$355.9 million.⁵³ Variable-rate debt allows WTD to achieve a borrowing cost that historically has been much lower than traditional fixed-rate debt. Typically, an investor can sell variable-rate bonds back with just a week's notice. This type of investment warrants the lowest borrowing cost in any given interest rate environment. Variable-rate debt is issued on the junior lien level, which is subordinate to parity bonds (senior lien sewer revenue bonds) and parity bond lien obligations (LTGO).

Forecast Assumptions

Figure 31 summarizes the assumptions used to forecast revenues and expenditures in the 20-year financial forecast (2026-2045).

⁵² Includes the following loan agreements: \$17.7 million for Georgetown Wet Weather Treatment Station, \$96.8 million for Joint Ship Canal, \$194.1 million for Tranche 1 Projects, and \$89.9 million for Tranche 2 Projects.

⁵³ Excludes commercial paper used for interim financing and the refunding of the 2013B Sewer Revenue Bonds.

Figure 31 Forecast Assumptions Used in Financial Forecast⁵⁴

Forecast Assumptions:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Single-Family Residences RCE Growth	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Multi-Family & Commercial RCE Growth	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Capacity Charge Ongoing Payments	7.3%	6.8%	5.2%	4.3%	4.1%	4.1%	3.2%	2.3%	1.9%	3.0%
Capacity Charge Prepayments	4.8%	3.8%	3.0%	2.4%	2.0%	1.5%	1.2%	0.9%	0.8%	0.7%
General Cost Inflation		4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Labor Cost Inflation		4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Expenditure Growth*		2.0%	2.0%	2.0%	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%
Capital Cost Escalation	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenue Bond Rate (30 Year Term)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Blended Variable Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Investment Pool Earnings Rate	3.5%	3.1%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%

*Excludes Joint Ship Canal Close-Out Costs in 2027

2024 Wastewater Treatment Division Financial Performance

Revenue

Figure 32 shows that total RCEs were 0.2 percent lower than projected and related sewer rate revenues were 0.3 percent higher in 2024.

Capacity charge revenues were \$5.4 million higher than previously forecast, due to higher-than-expected elective early payoff activity.

Other operating revenues presented better-than-forecast results, mostly due to increased RINs revenue and methane gas sales, although high-strength surcharge revenue decreased.

Investment income exceeded the forecast, with interest rates from the King County Investment Pool averaging 4.15 percent in 2024.

Overall, revenues exceeded the 2024 forecast by 2.5 percent, 83 percent of which was driven by investment returns and early payoffs of the capacity charge.

⁵⁴ The operating costs forecast for the base year (2025) includes adjustments for significant known increases such as electricity and chemicals, in addition to re-baselining where recent inflation has exceeded previous forecast assumptions.

Figure 32 Wastewater Treatment 2024 Forecast vs. Preliminary 2024 Actuals⁵⁵

Wastewater Treatment Division 2024 Financial Performance ('000s)	Forecast 2024	Preliminary 2024	Variance (\$)	Variance (%)
Monthly Sewer Rate	\$55.11	\$55.11	\$0.00	0.0%
Rate Increase	5.75%	5.75%	0.00%	0.0%
Residential Customer Equivalents (RCEs)	775,653	774,178	(1,475)	-0.2%
Revenue				
Sewer Rate*	\$ 512,955	\$ 514,634	\$ 1,679	0.3%
Capacity Charge	96,060	101,469	5,408	5.6%
Industrial Waste Program	10,825	10,206	(618)	-5.7%
Resource Recovery	9,274	10,680	1,407	15.2%
Other Income	3,392	3,714	322	9.5%
Investment Income	19,041	26,990	7,949	41.7%
Use (Transfer to) Rate Stabilization Reserve	-	-	-	n.a.
Total - Revenue	\$ 651,546	\$ 667,693	\$ 16,147	2.5%
Expenditures & Transfers				
O&M Expenses	\$ (198,208)	\$ (205,478)	\$ (7,270)	3.7%
Debt Service on Parity Bonds	(145,514)	(143,680)	1,834	-1.3%
Debt Service on Parity Lien Obligations	(66,007)	(65,496)	512	-0.8%
Debt Service on Subordinate Lien	(33,597)	(35,080)	(1,483)	4.4%
Debt Retirement/ Defeasance Use of Cash**	(15,974)	(32,497)	(16,522)	103.4%
Minimum Operating Reserve Contribution	(2,520)	(3,247)	(727)	28.8%
Total - Expenditures & Transfers	\$ (461,821)	\$ (485,478)	\$ (23,657)	5.1%
Net Cash Flow	\$ 189,725	\$ 182,215	\$ (7,510)	-4.0%
Beginning Balance	\$ 2,520	\$ 2,520	\$ -	0.0%
Net Cash Flow	189,725	182,215	(7,510)	-4.0%
Policy Cash-Funded Capital (Transfer to Capital Fund)	(192,245)	(110,000)	82,245	-42.8%
Ending Balance	\$ -	\$ 74,735	\$ 74,735	n.a.
Ending Reserve Balances				
Water Quality Operating Liquidity Reserve	\$ 19,821	\$ 20,548	\$ 727	3.7%
Rate Stabilization Reserve Account	\$ 46,250	\$ 46,250	\$ -	0.0%
Debt Service Coverage on Parity Bonds	3.12x	3.22x	0.10x	3.3%
Debt Service Coverage on Parity Bonds and Parity Lien Obligations	2.14x	2.21x	0.07x	3.1%
Debt Service Coverage on Total Debt Payments	1.85x	1.89x	0.04x	2.3%
*Sewer rate revenue includes a billing adjustment of \$2.6m				
**Includes \$15.9m used for 2025 defeasance				

Expenditures

In the 2023-2024 biennium, WTD realized operating expenditure savings of \$4 million below budget. As noted above, savings were realized primarily in 2023, with actuals exceeding the annualized estimate in 2024. The largest contributors

⁵⁵ Audited 2024 financial information will be available in May 2025. Preliminary (unaudited) year-end financial data is presented for comparison to the 2024 forecast from the 2025-2034 Financial Forecast.

to underspend were staffing vacancies, delays in vehicle procurements, lower use of central services, and delays in the WaterWorks Grant Program. Offsetting those savings were unexpectedly higher costs for settlements, electricity and chemical costs, and repair and maintenance needs.

Debt

On June 6, 2024, WTD issued \$115 million of Junior Lien Variable Rate Demand Bonds (VRDBs), with liquidity support provided by a standby bond purchase agreement (SBPA) with Bank of America. The proceeds refunded an equivalent amount of outstanding CP in August 2024. Together with certain optional redemptions planned prior to year-end, this transaction will expand capacity within the CP program to provide interim financing for the WIFIA projects.

On July 24, 2024, WTD completed the negotiated sale of \$392.6 million in 2024A Sewer Revenue and Refunding Bonds. The new money portion of the \$171 million par issuance was used to fund the capital program, with net proceeds of \$192.1 million deposited into the construction account on August 8, 2024. The \$221.6 million par issuance for the cost-savings portion of the transaction refunded \$253.1 million of Sewer Revenue and Refunding Bonds, producing \$19.3 million in total savings and \$16.6 million in present value savings.

On December 10, 2024, WTD completed the negotiated sale of \$399.9 million in 2024A LTGO and 2024B Sewer Revenue Refunding Bonds. The cost-savings portion of the transaction refunded \$319.2 million in LTGO and Sewer Revenue and Refunding Bonds, generating \$25.6 million in total savings and \$18.5 million in present value savings (5.8 percent). Additionally, WTD refunded \$148.1 million of the multimodal 2019AB Variable Rate Demand Bonds, concluding its SBPA with TD Bank, following a reassessment of risk management considerations.

Due to the decreased levels of debt service and slightly higher net revenue, WTD projects that it will comfortably exceed each of its key coverage targets in 2024, namely 1.25 times senior lien debt service and 1.15 times total debt service.

Cash Funding and Defeasance

A new money par issuance of \$85.9 million of senior lien 2024A Sewer Revenue Bonds was sold in August 2024. The net proceeds, in the amount of \$98.1 million, were deposited into the capital project fund, freeing up the same amount of operating cash that was subsequently used in February 2025 to defease outstanding high-coupon bonds. This transaction produced \$8.6 million in total savings and \$7.2 million in present value savings.

Net Cash Flow

WTD transferred \$110 million of operating revenue to the capital fund at year-end, in addition to a \$16 million contribution to its debt service reserve and an ending cash balance of \$76 million. Most of the cash balance was used in February 2025 to defease higher interest-rate debt, along with funds released from the debt service reserve. These total \$202 million of available cash, translating into a positive variance of \$10 million when compared to the \$192 million in cash-funded capital (and zero ending balance) originally projected.

Contaminants of Emerging Concern (e.g., PFAS) – Cost Tracking

Per Motion 16434: “Beginning with the 2025 sewer rate forecast, the wastewater treatment division shall include in its technical memorandum submitted with the annual sewer rate Ordinance a section identifying the cost of activities it has undertaken and plans to undertake to address contaminants of emerging concern, including PFAS.”⁵⁶

⁵⁶ Per- and Polyfluoroalkyl Substances. PFAS are a group of chemicals used to make fluoropolymer coatings and products that are widely used in consumer products. PFAS are a concern because they do not break down in the environment, are able to move through soils and water sources, and build up in fish and wildlife. More information about PFAS can be found [here](#).

PFAS Costs to Date

Between 2019 and 2021, King County evaluated the use of reclaimed water from the Brightwater Treatment Plant and its effects on soil, groundwater, and plant tissue. Samples were analyzed for PFAS and other chemicals of emerging concern. PFAS compounds were detected in river water, reclaimed (reuse) water, soils, and in plants that were grown in this soil and irrigated with either river water or reuse water. These actions total an estimated \$93,750 in costs, to date, for the PFAS-portion of this work.

Between 2021-2022, King County conducted an investigation and published a report on Toxics in King County Wastewater Effluent, Evaluating the Presence of Toxic Elements in the Effluent of Treatment Plants.⁵⁷ This investigation included the sampling of wastewater effluent for PFAS compounds at three County wastewater treatment plants. Estimated out-of-pocket costs connected to this project totaled \$24,990, related specifically to PFAS.

In 2023, King County allocated approximately \$421,000 for a further investigation of PFAS in King County wastewater facilities and landfill leachate, anticipated to be completed by mid-2025. In mid-2024, King County began tracking staff hours associated with PFAS on a regular basis; 2024 data estimates that 300 hours and \$27,300 in costs were spent.

Costs associated with the Nutrient Reduction Evaluation (total estimate of approximately \$8 million) include hiring an external consultant to conduct analyses of nitrogen removal but also with potential compounds of emerging concern and toxics removal, including PFAS chemicals. To date, an estimated \$63,500 has been spent on work attributable to PFAS chemicals.

Costs also include 2,090 documented staff hours spent on PFAS through the end of 2023, in addition to the 300 estimated hours in 2024.

Future Costs

WTD will incur costs to comply with Ecology's draft NPDES permit for the West Point Treatment Plant, which requires the County to update its industrial user survey by April 30, 2025, and begin to include requirements for industries to complete PFAS pollution prevention/source reduction evaluations starting in July 2025. The draft permit also requires the County to include best management practices and pollution prevention strategies in its permits to industries beginning in July 2025. The cost estimate for this work is \$1 million over five years.

Other future unknown costs include monitoring for PFAS in stormwater, wastewater treatment plant influent and effluent, biosolids, and industrial waste.

⁵⁷ Report submitted as part of Motion 16384 can be found [here](#)

Appendix. Attachment A

Wastewater Treatment Division	Actual	Budget	Rate Proposal	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Attachment A - Financial Forecast	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Financial Forecast - 4611 (\$ '000)												
Monthly Sewer Rate	\$55.11	\$58.28	\$62.66	\$70.65	\$79.66	\$90.42	\$102.63	\$116.49	\$124.94	\$134.00	\$136.68	\$139.42
Rate Increase	5.75%	5.75%	7.50%	12.75%	12.75%	13.50%	13.50%	13.50%	7.25%	7.25%	2.00%	2.00%
Residential Customer Equivalents (RCEs)	774,178	780,874	787,568	792,492	797,424	802,365	807,315	812,274	817,241	822,217	827,202	832,196
Revenue												
Sewer Rate ¹	\$ 514,634	\$ 546,112	\$ 592,188	\$ 671,875	\$ 762,274	\$ 870,598	\$ 994,257	\$ 1,135,461	\$ 1,225,273	\$ 1,322,125	\$ 1,356,744	\$ 1,392,297
Capacity Charge	101,469	98,149	104,960	111,668	117,122	121,924	126,634	131,421	135,314	138,247	140,689	144,577
Industrial Waste	10,206	10,258	10,310	10,362	10,415	10,468	10,522	10,575	10,629	10,684	10,738	10,793
Resource Recovery	10,680	9,509	6,584	6,782	6,985	7,195	7,410	7,633	7,862	8,098	8,341	8,591
Other Income	3,714	3,578	3,597	3,616	3,635	3,655	3,676	3,697	3,719	3,742	3,765	3,789
Investment Income	26,990	25,484	19,639	17,335	17,421	20,476	22,891	25,369	29,178	31,989	34,120	35,384
Use (Transfer to) Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Total - Revenue	\$ 667,693	\$ 693,090	\$ 737,277	\$ 821,637	\$ 917,852	\$ 1,034,317	\$ 1,165,390	\$ 1,314,156	\$ 1,411,975	\$ 1,514,885	\$ 1,554,398	\$ 1,595,431
Expenditures & Transfers												
O&M Expenses	\$ (205,478)	\$ (227,606)	\$ (249,295)	\$ (267,664)	\$ (283,528)	\$ (299,973)	\$ (317,417)	\$ (333,056)	\$ (349,475)	\$ (366,713)	\$ (384,811)	\$ (403,813)
Existing Debt Service	(260,856)	(271,001)	(287,706)	(288,253)	(260,877)	(271,362)	(290,154)	(289,525)	(260,530)	(265,544)	(235,871)	(225,992)
New Debt Service	-	(11,363)	(43,105)	(88,669)	(142,627)	(217,321)	(284,979)	(334,152)	(408,414)	(465,354)	(516,976)	(550,610)
Debt Retirement/ Defeasance Use of Cash	(15,897)	(81,174)	-	-	-	-	-	-	-	-	-	-
Minimum Operating Reserve Contribution	(3,247)	(2,940)	(2,169)	(1,837)	(1,586)	(1,644)	(1,744)	(1,564)	(1,642)	(1,724)	(1,810)	(1,900)
Total - Expenditures & Transfers	\$ (485,478)	\$ (594,082)	\$ (582,275)	\$ (646,422)	\$ (688,619)	\$ (790,300)	\$ (894,295)	\$ (958,297)	\$ (1,020,061)	\$ (1,099,335)	\$ (1,139,468)	\$ (1,182,316)
Net Cash Flow	\$ 182,215	\$ 99,008	\$ 155,002	\$ 175,215	\$ 229,233	\$ 244,017	\$ 271,095	\$ 355,859	\$ 391,914	\$ 415,550	\$ 414,930	\$ 413,116
Beginning Balance	\$ 2,520	\$ 90,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	182,215	99,008	155,002	175,215	229,233	244,017	271,095	355,859	391,914	415,550	414,930	413,116
Policy Cash-Funded Capital (Transfer to Capital Fund)	(110,000)	(189,012)	(155,002)	(175,215)	(229,233)	(244,017)	(271,095)	(355,859)	(391,914)	(415,550)	(414,930)	(413,116)
Ending Balance ²	\$ 74,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Reserve Balances												
Water Quality Operating Liquidity Reserve	\$ 20,548	\$ 22,761	\$ 24,929	\$ 26,766	\$ 28,353	\$ 29,997	\$ 31,742	\$ 33,306	\$ 34,947	\$ 36,671	\$ 38,481	\$ 40,381
Rate Stabilization Reserve Account	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250	\$ 46,250
Debt Service Coverage - Parity Bonds (Senior Lien)	3.22x	3.34x	2.81x	2.43x	2.49x	2.37x	2.15x	2.18x	2.18x	2.05x	1.93x	1.95x
Debt Service Coverage - All-In Debt Service	1.77x	1.65x	1.48x	1.47x	1.57x	1.50x	1.47x	1.57x	1.59x	1.57x	1.55x	1.53x
¹ Sewer rate revenue in 2024 includes a billing adjustment of \$2.6m												
² Difference between 2024 ending balance and 2025 beginning balance driven by reconciliation of cash and accrual, timing of transfers between funds												
Capital Funding Forecast - 3611 & 3612 (\$ '000)												
Beginning Balance	\$ 119,476	\$ 182,707	\$ 189,012	\$ 155,002	\$ 175,215	\$ 229,233	\$ 244,017	\$ 271,095	\$ 355,859	\$ 391,914	\$ 415,550	\$ 414,930
WIFIA Proceeds	9,616	16,927	15,907	15,588	5,617	-	-	284,000	-	-	-	-
State Loan Proceeds	35,355	54,267	15,651	878	-	-	-	-	-	-	-	-
Variable Rate Debt Proceeds	-	154,157	17,445	106,670	82,713	134,317	171,043	157,514	155,110	163,190	145,345	146,539
Commercial Paper / Interim Financing	66,000	49,725	108,632	22,982	5,472	-	-	-	-	-	-	-
Retirement of Interim Financing	-	(35,620)	(18,172)	(18,548)	(5,472)	-	-	(175,000)	-	-	-	-
Net Bond Proceeds	192,081	40,085	366,884	574,698	720,610	975,346	817,037	660,849	702,699	692,807	642,895	378,788
Reserve Contribution/(Requirement) ³	(34,239)	-	-	-	-	-	-	-	-	-	-	-
Grants, Settlements, and Other	3,665	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	(312,597)	(462,248)	(695,360)	(857,271)	(984,155)	(1,338,896)	(1,232,097)	(1,198,458)	(1,213,668)	(1,247,910)	(1,203,790)	(940,257)
Ending Balance Before Transfers	\$ 79,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year-end Transfers from Operating Fund	110,000	189,012	155,002	175,215	229,233	244,017	271,095	355,859	391,914	415,550	414,930	413,116
Ending Balance	\$ 189,357	\$ 189,012	\$ 155,002	\$ 175,215	\$ 229,233	\$ 244,017	\$ 271,095	\$ 355,859	\$ 391,914	\$ 415,550	\$ 414,930	\$ 413,116
Ending Reserve Balances												
Capital Liquidity Reserve	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Emergency Capital Reserve	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Revenue Bonds Reserve Account	145,167	133,590	159,105	198,541	248,091	315,435	373,546	420,784	482,142	531,697	574,926	589,373
State Revolving Fund Reserve Account	219	219	176	133	133	133	68	-	-	-	-	-
³ Capital Liquidity Reserve increased from \$5m to \$40m in 2024												

King County Wastewater Treatment Division 2026 Sewer Rate Proposal

Regional Water Quality Committee (RWQC)

April 2, 2025

Agenda

- Calendar
- Substantive Changes for 2026
- Capital Forecast – Focus on Cost Changes
- Funding Plan – Cash Funding and Debt Structuring
- Operations Forecast
- Rate Impacts
- Summary and Next Steps

Calendar

MONTH	ACTIVITIES
April	April 2 – RWQC – Briefing on WTD's 2026 sewer rate proposal
	April 3 and April 23 – MWPAAC considers and acts on rate recommendation letter to King County Council
	Late April – King County Executive transmits 2026 sewer rate proposal to King County Council
May	May 7 – RWQC - Briefing on the Executive's 2026 sewer rate proposal
June	Budget and Fiscal Management Committee briefings on the Executive's 2026 sewer rate proposal
	Public hearing and action on the Executive's 2026 sewer rate proposal by King County Council

Substantive Changes for 2026

1. Extending forecast from 10 to 20 years

- Initiated in response to Council Motion 16449 (long-term financial and sewer rate forecast)
- Incorporated into sewer rate forecast, Motion response separate and in progress for July milestones

2. CSO Consent Decree cost estimates and schedule - updated

- Mouth of the Duwamish (MDCSO) mega-project - *higher cost estimates*
- 2037 vs 2040 - moves costs to earlier in forecast period

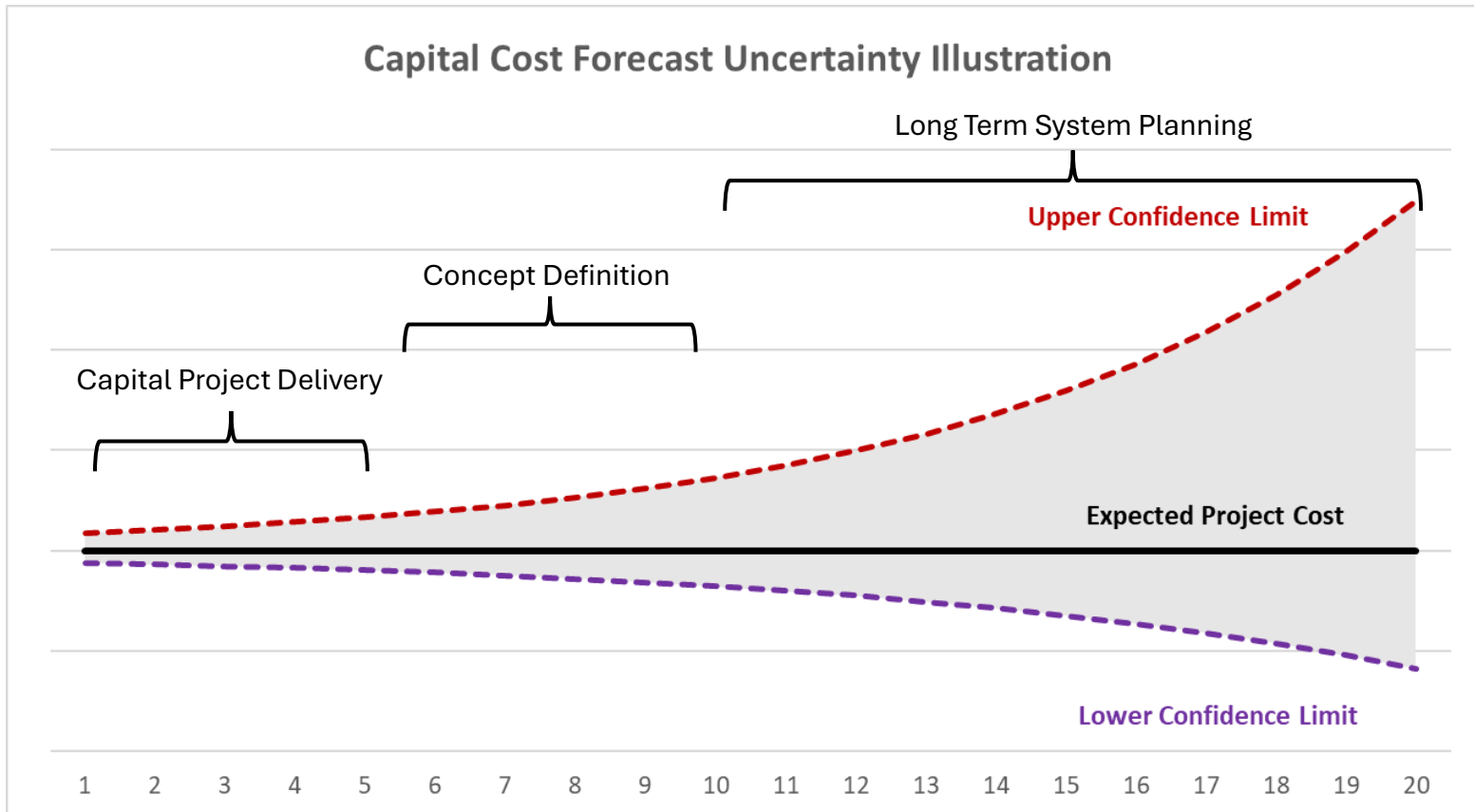
3. Revised Approach to Forecasting Delivery Constraints

- Formerly Accomplishment Rate deferred costs outside of forecast period
- Alternatively, project costs are now individually sequenced within expected delivery capacity constraints, and early years in the forecast are adjusted for schedule risk, deferring a portion of the costs to later years
- \$2.3 billion of project costs previously deferred outside the 10-year forecast period are fully represented in the 20-year forecast period

Long-Term Capital Forecasting Uncertainties (Motion 1 Findings)

Peer review findings - Raftelis/Consort Motion 16410 ("Motion 1") report:

- **"Rates are typically only forecasted for 5 years** due to the uncertainties associated with long-term capital forecasting and future costs."
- "Peers develop greater certainty for projects' scopes and costs across the project categories for the 5- to 10-year projected capital budgets. **Projects scopes and costs uncertainty increases for capital forecasting beyond a 10-year period** and appropriate qualifications on the selected projects are provided."
- Other than asset renewal/replacement, capital cost estimates beyond 10 years **"were noted to be order of magnitude and subject to large changes"**



Key Assumptions / Forecast Approach - Capital

1. Regulatory

- MDCSO with recent cost updates
- Conceptual projects to meet the CSO Long Term Control Plan through 2037
- Allowance for CSO supplemental compliance
- Nitrogen Reduction Planning, Nutrient Reduction Evaluation study, and near-term optimization investments (first permit cycle)
- **New for 2026:** Proactive/multi-benefit investment to optimize nitrogen removal at South Plant to stay within regulatory nitrogen limits ('action levels')
- *Potential Other Regulatory Not Included At This Time:*
 - Other nutrient reduction that may be required in future permit cycles
 - Contaminants of Emerging Concern (e.g., PFAS)

2. Asset Management Conveyance and Plants

- **First decade:** High risk asset replacement and renewal inventory (Tier 1)
 - High risk asset replacement and renewal projects continue to be identified and added as Asset Management and Portfolio Management processes continue to mature
- **Second decade:** Continues remaining current high-risk inventory, then transitions to replacing assets at end of useful life, cost projected to year of replacement

Key Assumptions / Forecast Approach - Capital

3. Capacity

- Planned conceptual projects; inflow and infiltration-driven projects deferred in 2024 sewer rate process are included in second decade
- Allowances for known capacity- limited treatment plant processes - conceptual projects not yet defined
- **New for 2026:** Alternatives analysis and preliminary design to reduce the risk of sewer backups and protect public health in the South Park neighborhood (~\$5m)

4. Other Portfolio Categories (e.g., Resource Recovery, Op Enhancements, etc.)

- Conceptual projects from the portfolio inventory, sequenced by relative priority
- Average historical spending with escalation to forecast year (second decade)

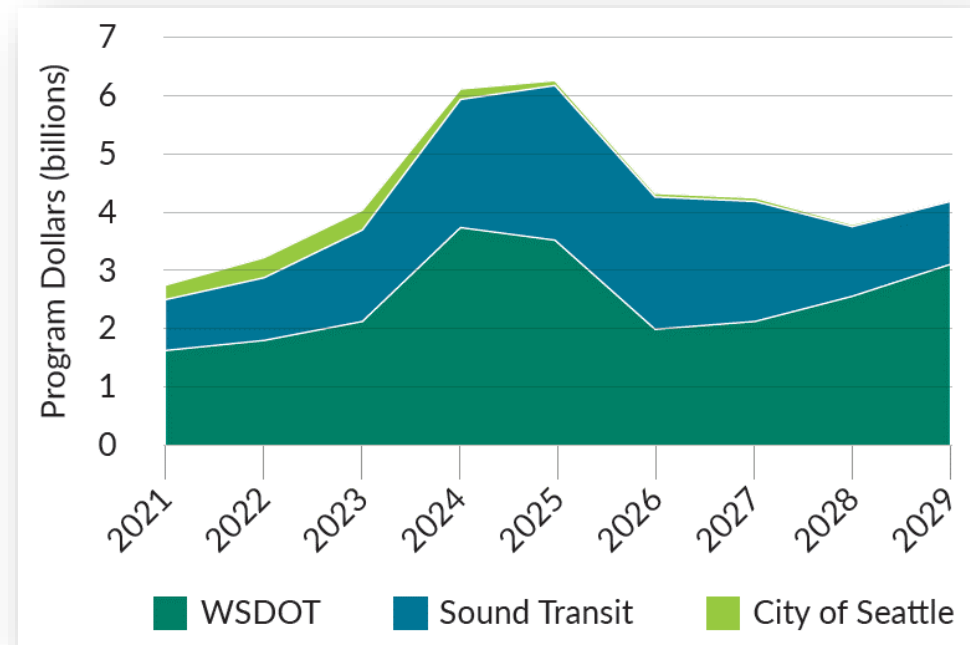
MDCSO Cost Drivers

\$2B Charter Estimate (2023) → Concept Design Alternatives Analysis Estimates

- **Increased Design Flow Criteria**
 - Adjusted from **1-year to 1.5-year recurrence interval (2 in 3 years)**, requiring larger capacity infrastructure.
- **WWTS and Storage Expansion**
 - Wet Weather Treatment Station (WWTS) increased from 190 MGD to 240 MGD, increasing treatment system costs.
 - Onsite equalization storage expanded from 4 MG to 5 MG, adding construction and operational costs.
- **Additional Storage**
 - Refined Chelan Scope – now includes a dedicated storage tank, increasing excavation, structural requirements, and system integration to enhance flow management.
- **Larger Site and Complex Conditions**
 - Expanded (2x) facility footprint requiring more land and site development.
 - Available sites have challenging site conditions (contaminated soil, deep liquefiable soils) increasing mitigation, foundation, and construction costs
- **Other Factors:** Estimates incorporating latest market conditions information and improved understanding of risks and uncertainties.

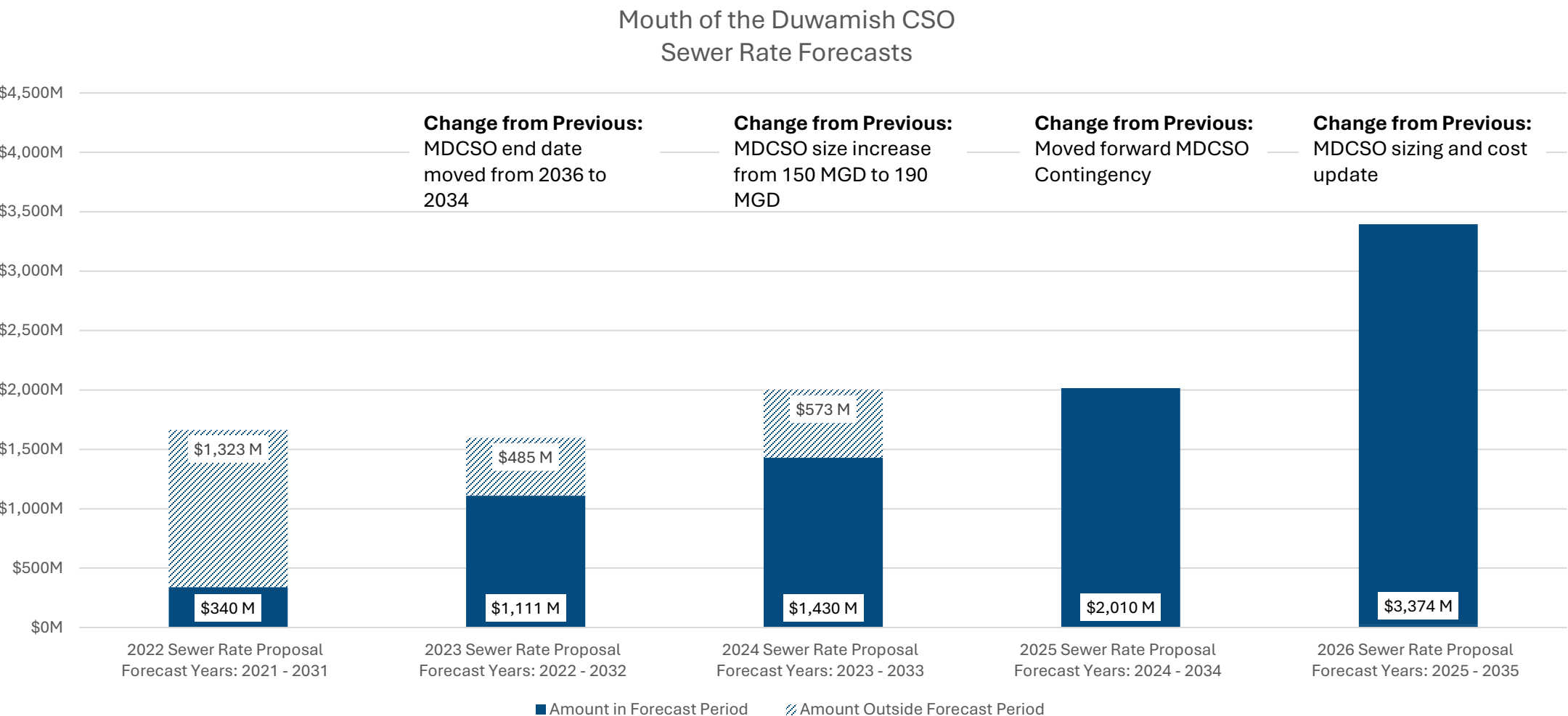
MDCSO – Escalation and Market Trends

- Construction materials typical for this type of program increased on average 30-40% from 2022-2024 (e.g., Steel, Equipment, Concrete)
- Construction Labor Escalation – Wages have increased on average 17-21% from 2022 to 2025
- Other Market Conditions
 - Concurrent Projects and Market Capacity
 - Labor Shortages for construction workers and engineering for Wastewater Projects
 - Program and project initiatives (CWAs and DBE) continue to pressure labor availability and pricing



Sources: US Bureau of Labor Statistics – Producer Price Indices, Consumer Price Indices; Engineering News Record – Construction Cost Index; Mortensen Construction Labor Price Index; Puget Sound Regional Capital Improvement Plans – WSDOT, Sound Transit, City of Seattle

MDCSO Capital Forecasts Since 2021



CIP Assumptions and Forecast Comparison

	Category	Adopted 2025 Forecast ('24-'34)	2026 Prop. First Decade ('25-'35)	2026 Prop. Second Decade ('36-'45)
Mouth of the Duwamish CSO	Regulatory	\$1,980m	\$3,370m	-
Additional Nitrogen Optimization Investments	Regulatory	-	350m	-
Other Newly Identified Investments	AM and other categories	-	155m	250m
Current Projects and Programs	All Categories	4,230m	4,830m	
Conceptual Projects Budgeted in 2025	All Categories	320m	370m	
Conceptual Projects	All Categories	4,000m	2,300m	4,800m
Forecast Deferred by Accomplishment Rate Approach		-2,290m		
Allowances for long-term category projections	All Categories	-	-	3,150m
Total		\$8,240m	\$11,375m	\$8,200m

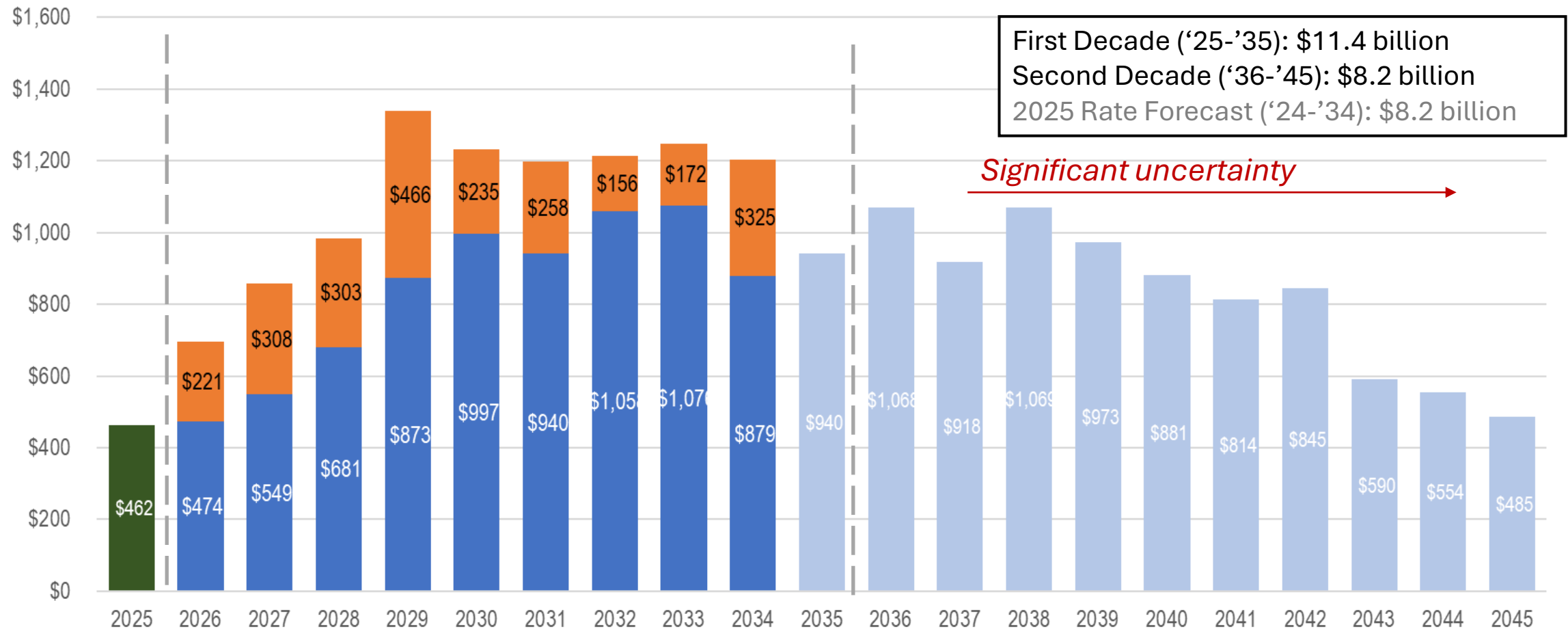
Note: All costs are escalated to the projected year of expenditure. The first two columns cover slightly different time periods and are not directly comparable. In the Adopted 2025 Forecast, costs deferred outside the 10-year forecast window are shown as a deduction. Increases are due to scope definition resulting in increased complexity and market factors.

Current Capital Forecast vs. Adopted 2025 Plan

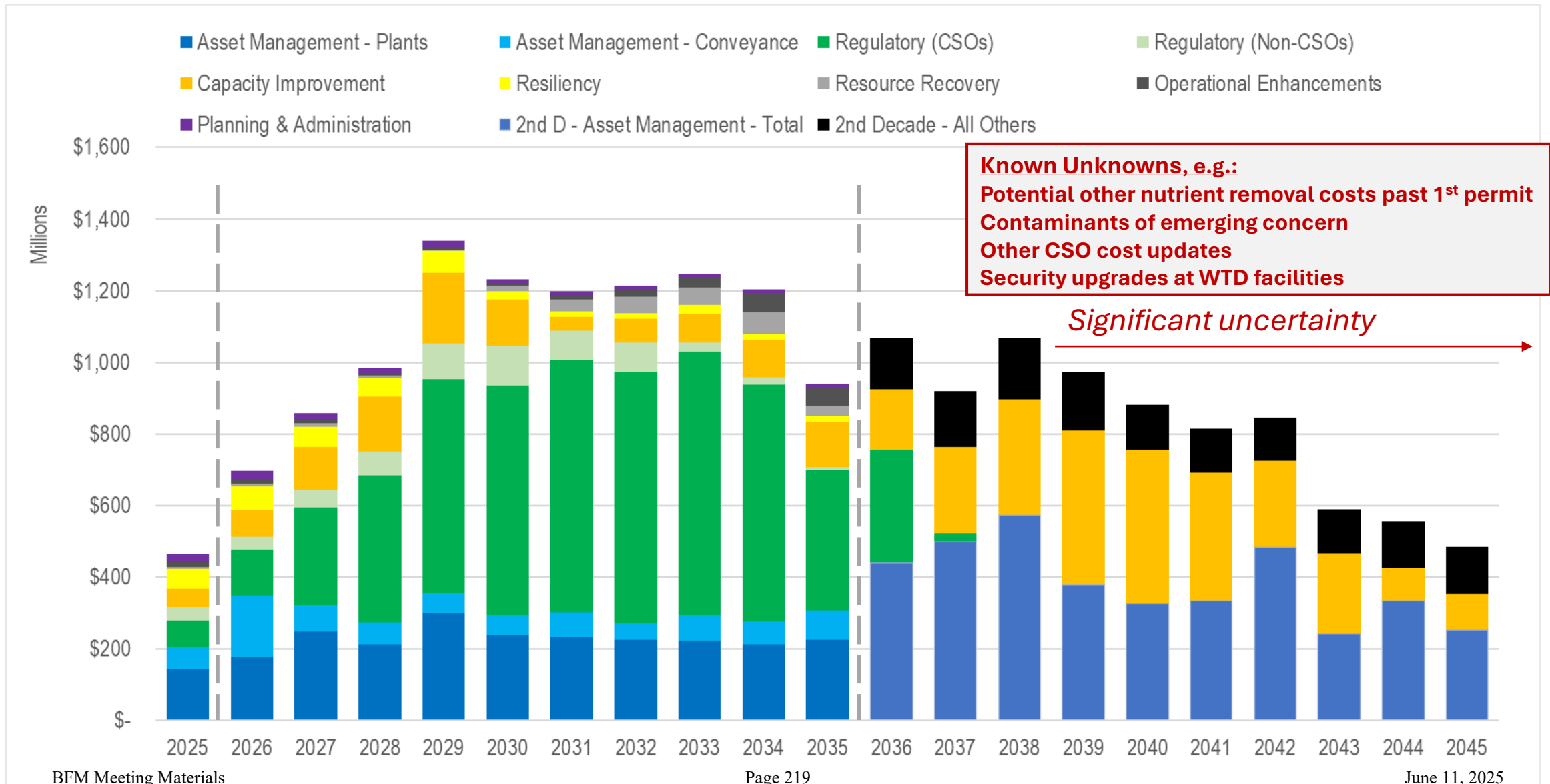
Capital Forecast Spending (\$m)

2026 Rate Forecast

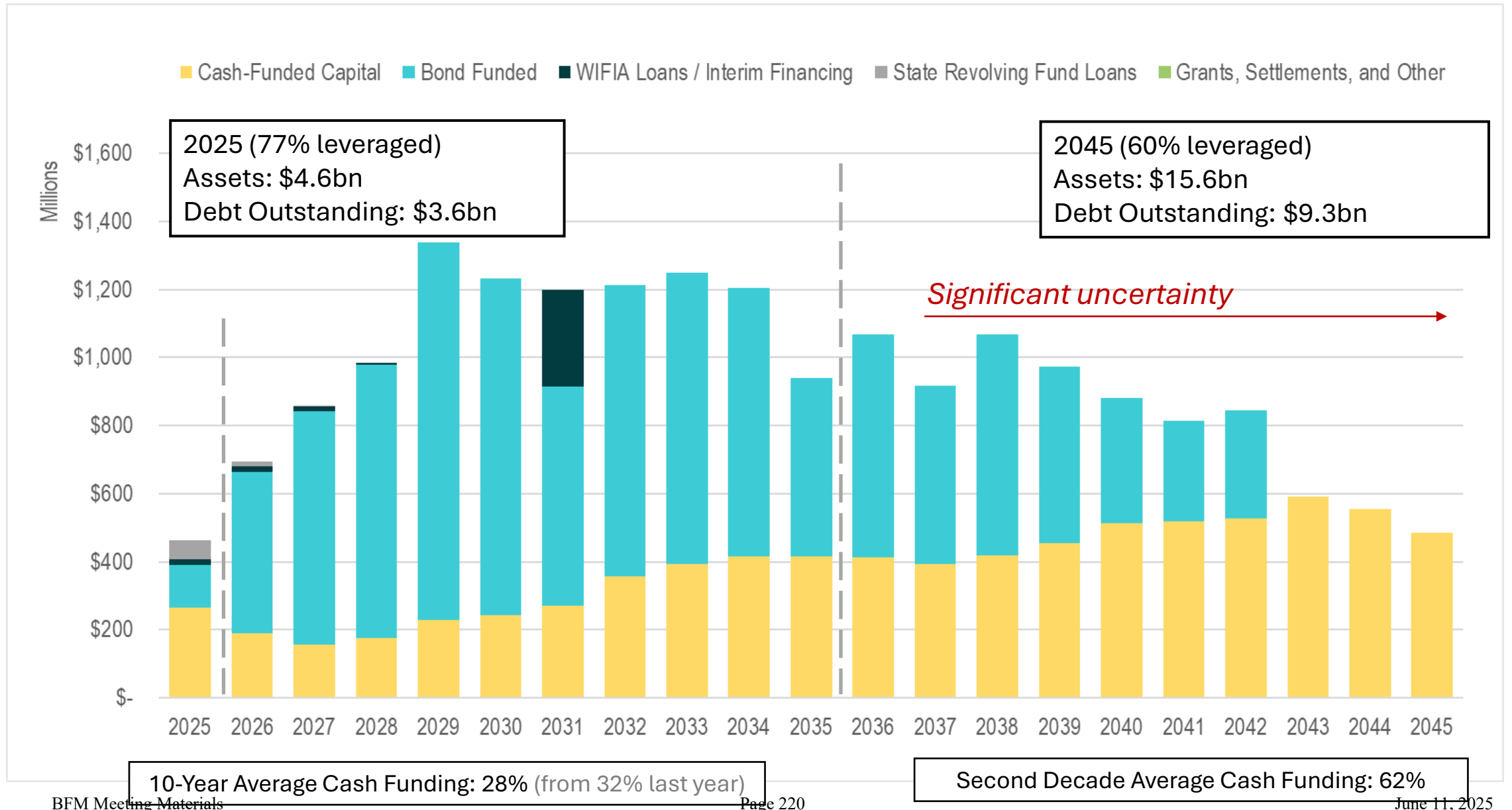
■ Projected Year End ■ 2025-2034 Rate Forecast ■ Capital Forecast Increases ■ New Capital Spending



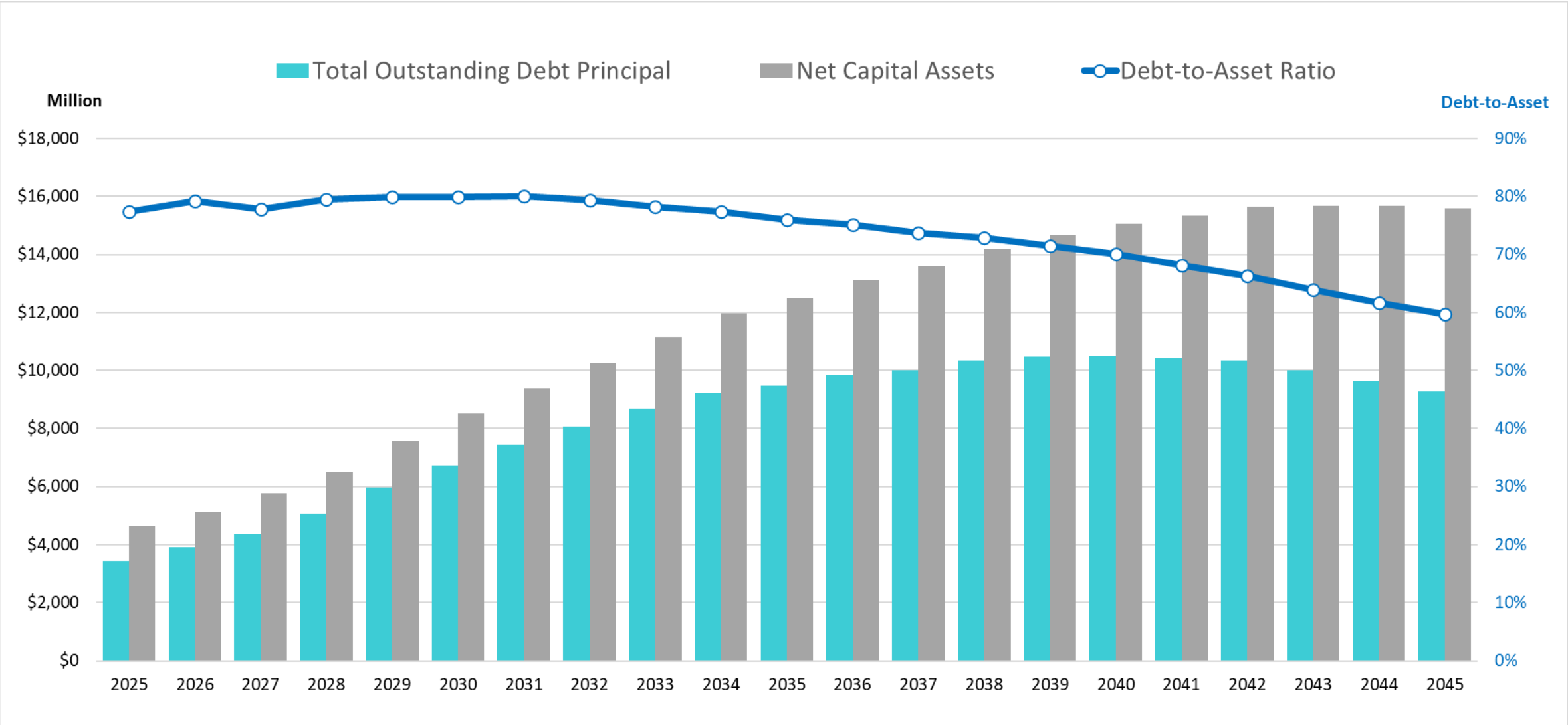
20-Year Capital Forecast by Portfolio Category



Capital Funding Forecast



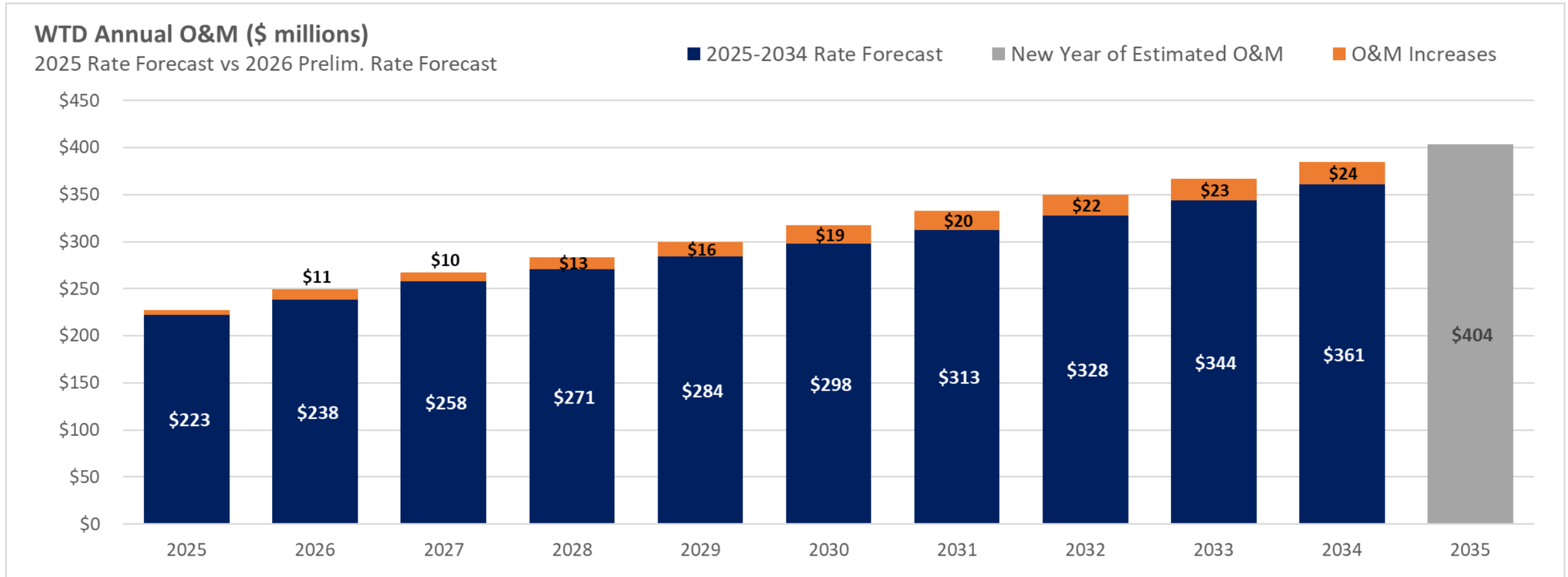
Debt and Asset Balances Forecast



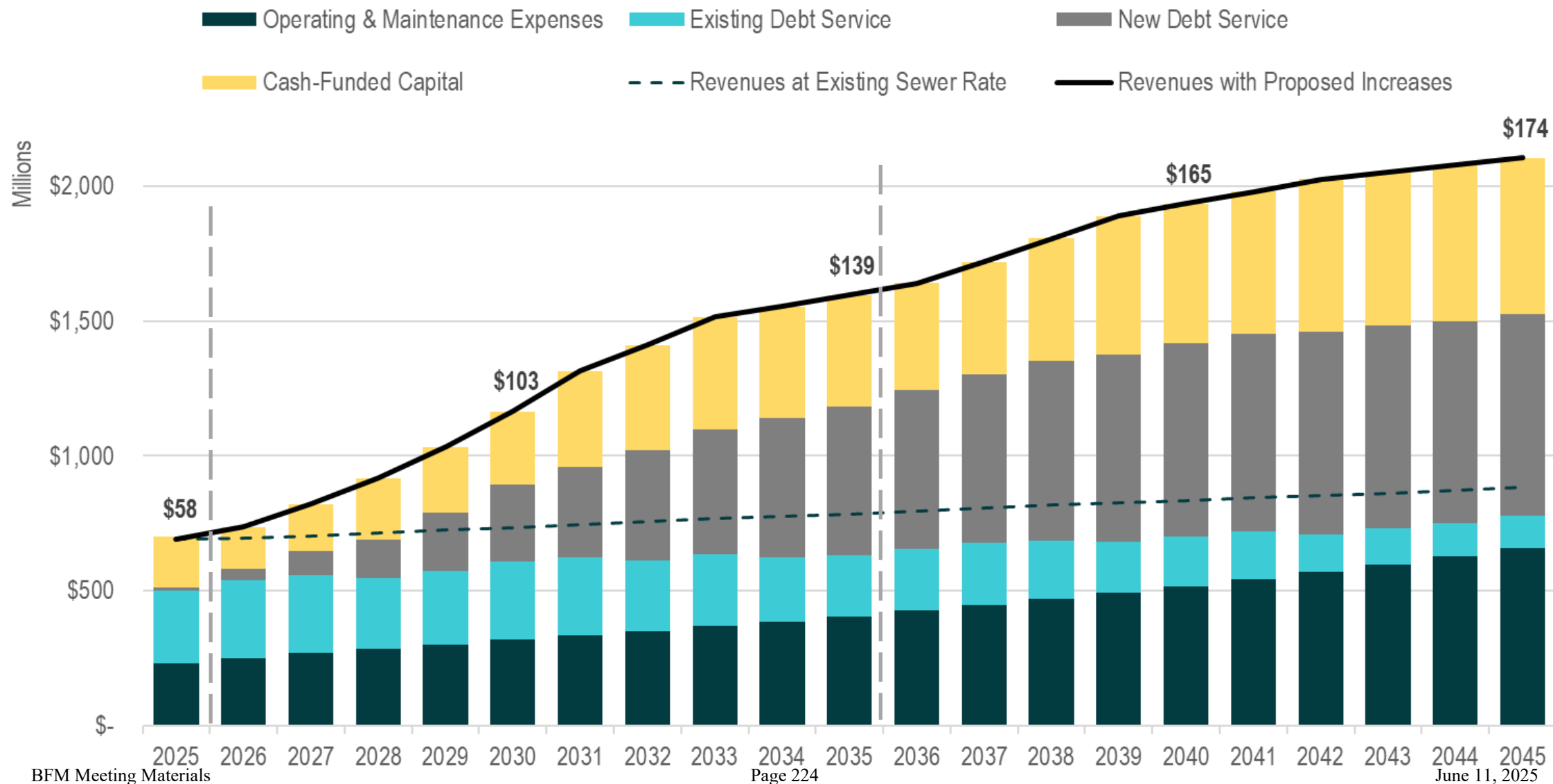
Key Assumptions / Forecast Approach - Operations

- **Meaningfully address** operational needs by growing resources over the next 5 years
- **WTD facilities are aging, requiring attention to address hundreds of minor repairs and adjustments each month.**
- With a **large capital portfolio**, Operations staff are needed to participate in the **systems planning, design, construction, start-up, and commissioning** processes.
- Permit conditions are more complex, requiring more **monitoring and adjustment to meet water and air quality requirements.**
- Contracts and policy goals require that we reliably **recover and put to beneficial use biosolids, biogas, recycled water, and sewer heat** - all requiring Operations staff.
- **Jobs in Operations** are opportunities to recruit, hire and train a next generation of WTD staff, to **better reflect the communities we serve.**

O&M Forecast vs. Adopted 2025 Plan



Revenue Requirement



Sewer Rate Forecast

Adopted 2025 Rate and 2026-2034 Forecast:

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Rate Increase %	5.75%	7.00%	7.00%	7.00%	8.25%	8.25%	8.25%	9.25%	9.25%	9.25%
Monthly Sewer Rate	\$58.28	\$62.36	\$66.73	\$71.41	\$77.31	\$83.69	\$90.60	\$98.99	\$108.15	\$118.16
All-In Debt Service Coverage	1.74x	1.68x	1.59x	1.69x	1.60x	1.49x	1.48x	1.53x	1.52x	1.63x

Proposed 2026 Rate and 2027-2045 Forecast:

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Increase %	5.75%	7.50%	12.75%	12.75%	13.50%	13.50%	13.50%	7.25%	7.25%	2.00%	2.00%
Monthly Sewer Rate	\$58.28	\$62.66	\$70.65	\$79.66	\$90.42	\$102.63	\$116.49	\$124.94	\$134.00	\$136.68	\$139.42
All-In Debt Service Coverage	1.65x	1.48x	1.47x	1.57x	1.50x	1.47x	1.57x	1.59x	1.57x	1.55x	1.53x
	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Rate Increase %		2.00%	4.50%	4.50%	4.50%	1.75%	1.75%	1.75%	0.50%	0.50%	0.50%
Monthly Sewer Rate		\$142.21	\$148.61	\$155.30	\$162.29	\$165.14	\$168.03	\$170.98	\$171.84	\$172.70	\$173.57
All-In Debt Service Coverage		1.48x	1.49x	1.52x	1.58x	1.58x	1.58x	1.64x	1.65x	1.67x	1.67x

Capacity Charge

Capacity Charge	2025	2026	2027	2028	2029	2030
Monthly Charge	\$76.09	\$77.99	\$79.94	\$81.94	\$83.99	\$86.09
Increase %	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Increase \$	\$1.86	\$1.90	\$1.95	\$2.00	\$2.05	\$2.10
Annual Total	\$913	\$936	\$959	\$983	\$1,008	\$1,033
Total Payments (15 years)	\$13,696	\$14,038	\$14,389	\$14,749	\$15,118	\$15,496
Upfront Payment*	\$9,684	\$9,926	\$10,174	\$10,429	\$10,690	\$10,957

*Discount rate of 5.05%

- King County Code: "'Capacity charge' means a charge levied on a new customer to recover capital costs needed to serve new customers," and "The capacity charge shall be based upon the costs, customer growth and related financial assumptions used for the Regional Wastewater Services Plan."
 - The current RWSP planning horizon ends in 2030
- Capacity charge calculations are updated every three years: latest includes 2024 through 2026
- In 2024, WTD resumed work with Raftelis to update the capacity charge methodology
 - Internal data collection in progress to generate scenarios in preparation to reengage with MWPAAC workgroup

Summary and Next Steps

- Significant rising costs, rates follow
- Main drivers continue to be Regulatory, Asset Management, and Capacity
- Continued focus on addressing operations current and growing needs
- WTD continuing to assess landscape of available and potential new approaches to large scale capital costs and ratepayer affordability

- MWPAAC R&F – April 3
- MWPAAC General – April 23

Proposed for Adoption in 2026	
Sewer Rate	\$62.66 (7.5% increase)
Capacity Charge	\$77.99 (2.5% increase)

Q & A



King County | Wastewater Treatment



King County
**Wastewater
Treatment**

BFM Meeting Materials Page 230 June 11, 2025

Local Sewer Agency (LSA)	Utility Department Name	Rate & Documentation URLs	Sewer Units of Measurement	Sewer Measurement Basis	Sewer Charge Assessment Frequency	Rate Structure Description	Base charge	Charge Type?	Assessed Above:	Volume Rate	Notes	Collection System Bill	King County per RCE Treatment Charge	Combined Monthly Sewer Bill	Sewer Utility Tax Rate	Embedded in or Incremental to Sewer Rates	Comments	Collection System Bill with Tax	King County per RCE Treatment Charge	Combined Monthly Sewer Bill with Tax	Single Family Residences (SFR)	% of Total
Northshore Utility District	Northshore Utility District	https://www.northshorewater.com/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.northshorewater.com/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.northshorewater.com/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.northshorewater.com/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.northshorewater.com/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf	CCF	Average Water Water Usage	Bi-Monthly	<ul style="list-style-type: none">\$146.38 bi-monthly base charge (which includes King County's bi-monthly charges), plus\$4.54CCF charged on bi-monthly Water consumption >15 CCF.	\$36.14	Base Charge	15	\$4.54	Sewer Volume charges are based on average Water demand. The Northshore Utility District overlaps Kirkland and Kenmore incorporated areas.	\$18.08	\$55.11	\$ 73.19	0.00%	No Tax Assessed	NorthShore UD pays franchise fees to the different cities that it serves (Bothell, Kenmore, Kirkland, Lake Forest Park, etc.). These fees vary by city, and are excluded from the rates passed on to the Northshore UD website.	\$18.08	\$55.11	\$ 73.19	20,814	4.8%
Olympic View W&S District	Olympic View W&S District	https://www.olympicviewwater.com/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.olympicviewwater.com/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.olympicviewwater.com/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.olympicviewwater.com/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.olympicviewwater.com/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf	Fixed Charge	No Volume Charge	Bi-Monthly	<ul style="list-style-type: none">Bi-Monthly Fixed Charge.No volume charge for Unincorporated customers.The rate schedule does not explicitly segregate the KC Treatment charge. Mathematically, there's no way to embed the monthly KC Treatment charge in their Bi-Monthly Fixed charge.	\$93.80	Fixed Charge	N/A	N/A	<ul style="list-style-type: none">The City of Edmonds created the Olympic View Water and Sewer as a Special Purpose District formed in 1991 to provide water to Unincorporated Snohomish County.In 1988 the City of Edmonds entered into an agreement with King County (Metro).Severage from Metro's Richmond Beach service area would be treated at Edmonds. Metro would abandon the Richmond Beach Treatment Plant and turn it into a pumping station.Metro would build a pump station and sewer line(s) to facilitate a flow from the Richmond Beach area to the Edmonds area.	\$46.90	\$55.11	\$ 102.01	10.00%	Lined Separately	Olympic View WD overlaps the City of Edmonds, the Town of Woodway, and a small portion of Unincorporated Snohomish County. Edmonds Utility Taxes per the City website and City Municipal Code 2.30.050: Water 10%, Sewer 10.0%, Stormwater 10.0%. Woodway charges a separate Utility Tax rate & Franchise Fee	\$57.10	\$55.11	\$ 112.21	215	0.0%
Pacific	City of Pacific, WA	https://www.cityofpacificwa.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.cityofpacificwa.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.cityofpacificwa.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.cityofpacificwa.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.cityofpacificwa.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf	Fixed Charge	No Volume Charge	Monthly	<ul style="list-style-type: none">Monthly Fixed Charge for each Single Family Residential unit includes the WTD charge plus a City of Pacific Fixed ChargeNo non-residential customers are also assessed a volume charge.	\$46.64	Fixed Charge	N/A	N/A		\$46.64	\$55.11	\$ 101.75	6.00%	Lined Separately	Utility taxes are levied on the gross operating revenues earned by private utilities, and by the city's own municipal utilities. The tax is levied on the utility, not the customer, and must be paid from utility revenues. The city imposes a 6% tax on all utilities.	\$52.75	\$55.11	\$ 107.86	1,555	0.4%
Redmond	City of Redmond Utilities Dept	https://www.cityofredmond.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.cityofredmond.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.cityofredmond.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.cityofredmond.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.cityofredmond.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf	Fixed Charge	No Volume Charge	Bi-Monthly	<ul style="list-style-type: none">Monthly Fixed Charge for each Single Family Residential unit includes the WTD charge plus a City of Pacific Fixed ChargeNo non-residential customers are also assessed a volume charge.	\$30.02	Fixed Charge	N/A	N/A		\$15.01	\$55.11	\$ 70.12	0.00%	No Tax Assessed	No water/sewer/stormwater utility tax found on website, in ordinance, or on AWC Survey. Utility Taxes are only listed for Telephone, Cable, Electricity, etc.	\$15.01	\$55.11	\$ 70.12	15,549	3.6%
Renton	City of Renton Public Works	https://www.rentonwa.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.rentonwa.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.rentonwa.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf https://www.rentonwa.gov/files/2024/01/2024-2025%20Water%20and%20Sewer%20Rates.pdf 																				

Questions and Answers about WTD's Capital Portfolio Management Oversight System October 1, 2024

Question 1: Please explain the processes in place within WTD and within the Executive branch (this could include PSB monitoring) to successfully manage and deliver the capital program and the accountability and oversight mechanisms that are in place.

Response: WTD Portfolio Management provides financial stewardship by performing coordinated, balanced, and transparent management of portfolios and portfolio categories of capital projects and programs to better achieve the organization's strategic objectives through prioritization, resource balancing, and continuous improvement. Portfolio, Program, and Project oversight is conducted through a tiered internal governance structure shown below.



**Questions and Answers about WTD's Capital Portfolio Management Oversight System
October 1, 2024**

Escalation Tier	WTD Portfolio Governance Roles	Primary Governance Objectives
Tier 3	Definition Board	1. Strategic Direction 2. Strategic Allocation 3. Escalated Changes
Tier 2	Delivery Board	1. Execution Management 2. Program and Project Priorities 3. Escalated Changes
Tier 1	Project Oversight Board	1. Phase Gate Control 2. Program and Project Quality Assurance 3. Escalated Changes
Tier 0	Project Managers and Project Teams	1. Day to Day Management 2. Program and Project Reporting

WTD Capital Portfolio Governance Objectives

- Clearly defined strategic direction for the capital portfolio comprised of programs and projects
- Demonstrate the value added to the public by the capital investments to the system
- Evaluation and prioritization of capital project requests, concepts, opportunities and existing programs and projects in development and delivery
- The transparent, balanced, and efficient management of limited resources
- Regular data-driven monitoring and reporting
- To establish and maintain strategic and rigorous parameters, weighted multi-attribute criteria, and well documented assumptions
- Develop and deliver the right projects and programs at the right time for the right reasons

The Definition Board (tier 3) makes decisions regarding the budget strategic direction in execution and delivery of capital projects to:

- Provide financial accountability.
- Promote governance that understands stakeholder needs and timelines.
- Seek to identify measures to manage risk.
- Provide direction for timely delivery of the organization's programs and projects that maximizes the value of the investments for stakeholders through the allocation of capital to portfolio categories.
- Provide strategic direction to the management and oversight actions of the capital portfolio.

Questions and Answers about WTD's Capital Portfolio Management Oversight System October 1, 2024

The Delivery Board (tier 2) is organized and chartered to inform and make decisions and recommendations regarding the execution and delivery of capital projects to:

- Establish the capital portfolio prioritization.
- Manage adjustments to the planned capital portfolio, including adjustments to individual portfolio categories.
- Provide oversight and direction for timely delivery of the organization's programs and projects that maximizes the value of the investments for stakeholders by balancing the WTD capital portfolio through project prioritization, validation, and resource management.
- Adjust to changing conditions over time to deliver projects and programs that align with WTD strategic objectives.

The Project Oversight Board (POB) (tier 1) makes decisions regarding the execution and delivery of programs and projects to:

- Provide oversight and direction for timely delivery of the organization's programs and projects.
- Adjust to changing conditions over time to deliver projects and programs that align with WTD strategic objectives.

Additionally, PSB oversight mechanisms include quarterly baseline reporting, annual spending report, and financial monitoring.

Question 2: What metrics are used to manage the capital program, who are the metrics reported to, what happens when projects are "off-track", etc.

PRISM is WTD's Project Information System Management. All capital contracts, projects, programs and portfolios are organized to monitor and manage the entirety of the capital program. Metrics include:

- PRISM dashboards and PRISM Project Health use real time project information, schedule forecasts, status, and financials for monitoring performance.
- Real-time Quarterly reporting: daylights quarterly progress, quarterly key activities (current and upcoming quarter), closely monitored Issues and Key Risks, Contract Change, and variance on scope, cost, and schedule versus last approved plan

Typical WTD Capital Key Performance Indicators (KPIs) applied are:

- Annual spending Accomplishment Rate vs plan
- Engineers Estimate vs Bid Amount review
- Allied Cost Ratio review
- Variance form Cost Model review
- Milestones achieved by Quarter monitoring
- Contract statistics such as change orders, and contingency usage.
- Capital \$ per FTE analysis

Question 3: What happens when projects are "off-track"?

Questions and Answers about WTD's Capital Portfolio Management Oversight System October 1, 2024

See question 1 above on how oversight of projects and programs are governed via the Project Oversight Board, Delivery Board and Definition Board. Project Management supervisors and unit managers also work daily/weekly/monthly with Project Managers and project teams to mentor, coach and address “off track” issues expeditiously.

Question 4: Have there been consultant reports or other WTD initiated reports which discuss capital project management/delivery? If so, please provide links and whether WTD has adopted any of the recommendations in the reports.

WTD has been adhering to Project Management Institute (PMI) project management standards since 2006. WTD has had more than 100 certified Project Management Professionals (PMP) by PMI. Our comprehensive Project Management Manual aligns with PMI standards and our business needs, serving as a key resource for our team. WTD is an active member and a co-chair of the Capital Project Management Working Group (CPMWG) focused on standardizing project management processes across all departments. CPMWG engaged a consultant in 2020 to review all the project management manuals and process and that report can be found [here](#).



Metropolitan Water Pollution Abatement Advisory Committee

King Street Center, 201 S Jackson St, MS: KSC-NR-6200, Seattle, WA 98104
206-477-4435

MEMBERS:

Alderwood Water and Wastewater District

City of Algona

City of Auburn

City of Bellevue

City of Black Diamond

City of Bothell

City of Brier

City of Carnation

Cedar River Water and Sewer District

Coal Creek Utility District

Cross Valley Water District

Highlands Sewer District

City of Issaquah

City of Kent

City of Kirkland

City of Lake Forest Park

Lakehaven Water and Sewer District

City of Mercer Island

Muckleshoot Indian Tribe

Northeast Sammamish Sewer and Water District

Northshore Utility District

Olympic View Water and Sewer District

City of Pacific

City of Redmond

City of Renton

Sammamish Plateau Water and Sewer District

City of Seattle

City of Shoreline

Skyway Water and Sewer District

Soos Creek Water and Sewer District

City of Tukwila

Valley View Sewer District

Vashon Sewer District

Woodinville Water District

April 23, 2025

The Honorable Girmay Zahilay
Chair, King County Council
516 Third Avenue, Room 1200
Seattle, WA 98104

Subject: Wastewater Treatment Division (WTD) 2026 Rate Recommendation

Dear Chair Zahilay:

The Metropolitan Water Pollution Abatement Advisory Committee (MWPAAAC) supports a sustainable regional wastewater treatment system. However, the rate forecast falls short of that goal. The steep projected rates are threatening to overwhelm not only our ability to adequately fund necessary local system improvements, but also our customers' ability to pay. Our region must develop a new approach to assuring a proper balance of regional versus local investments.

MWPAAAC acknowledges the need for a sewer rate increase in 2026; however, we have not been given adequate time and information to responsibly understand the costs driving the rates for 2026 and beyond. The proposed forecast shows the current sewer rate of \$58 per month doubling in six years, reaching \$116 in 2031. On average, the charge makes up 65percent of the local sewer bill our customers pay. With affordability a crisis in our region and nationwide, the steep rate climb projected by WTD threatens to overwhelm our customers' ability to pay and will restrict local governments from adequately funding critical local system needs.

Several key points require additional discussion, all of which influence the rate path:

1. **Third-Party Oversight for Capital Program:** Given the \$11 billion in proposed capital spending over the next 10 years, WTD should have third party oversight of mega projects. To properly understand and provide feedback to WTD on behalf of our ratepayers, the consultant should assess project conception, alternatives analysis, prioritization and delivery, budgeting, and financing.

The Honorable Girmay Zahilay

April 23, 2025

Page 2

2. **Rate Predictability for Multiple Years:** We strongly recommend committing to rates for a multi-year period, at a minimum for two years. This approach provides more discipline in rate-setting and forecasting and allows for better long-term planning and stability for WTD and for MWPAAC member agencies.
3. **Long-Term Forecasting:** It is imperative that we continue to refine long-term forecasts set forth in the Council's adopted motions 16410 and 16449. Early sharing of project alternatives and costs will allow MWPAAC to understand drivers and provide timely feedback. This effort must be ongoing to ensure that we are preparing for future system needs and revenue requirements.
4. **Deeper Discussion on Capital Improvement Program Assumptions:** MWPAAC wishes to better understand what contributes to the large cost buckets – specifically project descriptions, alternatives, and cost projections per year. Having ample time to fully understand the projects and the planning behind them is essential for us to inform our leadership effectively.
5. **Revisit Regulatory Timelines:** We urge you to encourage WTD to pursue appropriate timeline extensions for regulatory requirements in areas requiring significant investment, such as nutrient reduction and combined sewer overflows. This would allow for a more phased approach to implementing the required projects and provide rate relief to local agencies.
6. **Policy Effects on Rate Growth:** MWPAAC seeks clarity on how policies drive capital prioritization, particularly for projects that are not principally related to asset management or regulatory compliance. It has been over a decade since WTD conducted its formerly tri-annual comprehensive review. The Regional Wastewater Services Plan policies, as well as the financial policies, have direct and indirect effects on rates. Upcoming conversations on contract renewal will also daylight other concerns that require rate impact analysis, such as the Residential Customer Equivalent factor and a Capacity Charge that does not adequately account for the costs imposed by growth.

Our region is experiencing growing costs and strained financial resources, presenting extraordinary challenges to achieving lasting solutions and a system that is affordable for all ratepayers. While these challenges seem overwhelming, we have also seen a new engagement and collaboration growing to meet these obstacles. We must be prepared to make hard choices to prioritize the projects that must be done to maintain the integrity of


The Honorable Girmay Zahilay

April 23, 2025

Page 3

the system. MWPAAC can support the proposed 2026 sewer rate; however, we urge the Council to work with the Executive and WTD to make meaningful progress on these issues summarized above before the next rate cycle begins.

Sincerely,

DocuSigned by:

4ED96DE8E6FC467...
John McClellan
MWPAAC Chair

e-cc: The Honorable Shannon Braddock, County Executive, King County
King County Councilmembers
Regional Water Quality Committee members
MWPAAC members
John Taylor, Director, Department of Natural Resources and Parks (DNRP)
Kamuron Gurol, Division Director, Wastewater Treatment Division, DNRP



King County

Metropolitan King County Council Regional Water Quality Committee

May 13, 2025

The Honorable Girmay Zahilay
Chair, King County Council
King County Courthouse
516 3rd Ave.
Seattle, WA 98104

RE: Proposed Ordinance 2025-0129 2026 Proposed Sewer Rate and Capacity Charge

Dear Chair Zahilay,

Over the last two and a half years, the Regional Water Quality Committee (RWQC) has been working to address the complex and often competing challenges facing our regional wastewater system. In 2023, the King County Council adopted Motions 16410 and 16449, developed by RWQC, requesting that the Wastewater Treatment Division (WTD) develop a long-term forecast for capital needs and a long-term rate forecast. The RWQC acknowledges and appreciates the work that WTD has done in making progress on rate methodologies, and we appreciate the additional briefings WTD has provided to both RWQC and the Metropolitan Water Pollution and Abatement Advisory Committee (MWPAAC) this year in support of the proposed 2026 sewer rate and capacity charge.

RWQC recognizes that rate increases are necessary to maintain and improve the system, but increases must be balanced with affordability for ratepayers. Our deepest concern is that the rates forecasted in the future, particularly in 2027, are untenable and unsustainable for our ratepayers. As the Central Puget Sound Region experiences growing costs of living and income disparity, our customers face significant affordability concerns. We are particularly concerned that sewer rates will no longer be affordable among all ratepayers, including and extending beyond low-income ratepayers.

While the RWQC can support the 2026 rate based on relative consistency with the prior forecast, we are very concerned about the projected rate path. RWQC would likely not support the 2027 rate or the projected rate path without WTD providing better communication about the reason for the rate changes, various scenarios considered, efforts made to minimize the rate impacts to ratepayers, and more meaningful engagement by MWPAAC, RWQC, and the King County Council in the development of the 2027 rate.

To achieve more predictability, affordability, and transparency for the 2027 and future rates, the Regional Water Quality Committee would like to offer the following recommendations:

Approach for 2027 Rate Development. The challenges facing the regional wastewater system and the significant projected rate increases in the near term will require an approach to developing the 2027 rate that increases the confidence of RWQC members that rate increases are necessitated by maintenance needs, regulatory compliance, objective standards for maintaining water quality, and that

the Executive has made every effort to minimize the burden of rate increases on ratepayers. We believe such an approach necessitates earlier and more meaningful engagement with MWPAAC, RWQC, and the King County Council.

Rather than wait until the next rate is presented, we urge WTD to partner with MWPAAC, RWQC, and the King County Council to continue the discussions started during this rate cycle on the factors driving the 2027 rate and future projections. This engagement should include ongoing discussions with MWPAAC and RWQC on capital improvement program assumptions, including understanding the ability to deliver a capital program of this size and policy drivers of capital prioritization, particularly for projects not principally related to asset management or regulatory compliance. Beginning this work now will allow time for a more in-depth review and understanding of costs, discussion of options and tradeoffs, and prioritization of investments.

Furthermore, we urge the King County Council to ensure that the long-term rate forecast methodology requested by Motion 16449 will result in multiple forecast scenarios that can be reviewed beginning with the 2027 forecast so we can understand the tradeoffs involved in various rate scenarios.

Develop and implement a proactive regulatory strategy. Given the new information about the cost of regulatory investments, we encourage King County to develop and implement a regulatory strategy for renegotiating consent decrees or permit deadlines for major projects and investments to address affordability challenges while simultaneously achieving optimal water quality benefits to the region.

Good governance requires good oversight. WTD has a massive \$11 billion capital forecast over the next 10 years. Having a review by independent experts could promote transparency and identify opportunities for improvement. We recommend that WTD develop a proposal for a third-party review of the capital program, including “mega” capital projects such as the Mouth of Duwamish Combined Sewer Overflow (CSO).

Early visibility and transparency on large project planning. The planning and development of large capital projects should include opportunities to bring MWPAAC, RWQC, and other stakeholders into the process early enough to witness the alternatives analysis so that the benefits and tradeoffs of different alternatives can be examined and understood.

Rate predictability for multiple years. WTD should explore a multi-year rate commitment, which would provide more time for an in-depth review and understanding of costs, discussion of options and tradeoffs, and prioritization of investments. The intent of a multi-year approach would be to achieve better long-term planning and stability for WTD and contract agencies, which must plan for their budgets. This extended timeframe will also allow for greater engagement across cities and sewer districts to impact the proposed rate. Lastly, it would allow for increased accountability that would serve the region well.

Long-term forecasting. We appreciate WTD’s efforts to provide a long-term forecast for the rates in accordance with previous motions. As part of extending the forecast, WTD has noted that the forecast for the second decade has a high level of uncertainty. We recommend that WTD continue strengthening its capital forecasting methodology to increase the reliability, predictability, and sustainability of the second decade of the rate forecast.

Support the Regional Utilities Affordability Summit. Many regional utilities are forecasting significant annual rate increases for the foreseeable future. We are deeply concerned about the cumulative impact of these increases on King County's residents and businesses. We support Executive Braddock's plan to prepare a multi-jurisdictional summit to address affordability and access to essential utilities (solid waste, sewer, water, and energy) and encourage the Council's support of this summit.

Continue focus on Regional Wastewater Services Plan (RWSP) update and adhere to timelines for major milestones in the RWSP update process. Given the many complex issues facing the regional wastewater system, the need for a plan and policy review that addresses the needs of the system and its users has never been greater. RWQC is looking forward to participating in the policy discussions that are to occur as part of the RWSP Update to address rate structures, affordability, cost recovery structures, capacity demands, and many other important issues that directly impact the rate. We encourage the King County Council to ensure the timelines are adhered to for this important planning effort.

Sincerely,

Claudia Balducci

Claudia Balducci (May 13, 2025 12:06 PDT)

Claudia Balducci, Chair
Regional Water Quality Committee

Laura Mork

Laura Mork (May 13, 2025 11:03 PDT)

Laura Mork, Vice Chair
Regional Water Quality Committee

Cc: King County Councilmembers
Stephanie Cirkovich, Chief of Staff, King County Council
Jeff Muhm, Chief Policy Officer, King County Council
Stephanie Pure, Director of Council Relations, Office of the Executive
Melani Hay, Council Clerk, King County Council
Regional Water Quality Committee

5-13-25 RWQC Letter to Council re 2025-0129

Final Audit Report

2025-05-13

Created:	2025-05-13
By:	Marka Steadman (Marka.Steadman@kingcounty.gov)
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"5-13-25 RWQC Letter to Council re 2025-0129" History

-  Document created by Marka Steadman (Marka.Steadman@kingcounty.gov)
2025-05-13 - 4:56:34 PM GMT
-  Document emailed to Laura Mork (lmork@shorelinewa.gov) for signature
2025-05-13 - 4:58:09 PM GMT
-  Email viewed by Laura Mork (lmork@shorelinewa.gov)
2025-05-13 - 6:02:54 PM GMT
-  Document e-signed by Laura Mork (lmork@shorelinewa.gov)
Signature Date: 2025-05-13 - 6:03:40 PM GMT - Time Source: server
-  Document emailed to Claudia Balducci (claudia.balducci@kingcounty.gov) for signature
2025-05-13 - 6:03:42 PM GMT
-  Email viewed by Claudia Balducci (claudia.balducci@kingcounty.gov)
2025-05-13 - 7:05:38 PM GMT
-  Document e-signed by Claudia Balducci (claudia.balducci@kingcounty.gov)
Signature Date: 2025-05-13 - 7:06:35 PM GMT - Time Source: server
-  Agreement completed.
2025-05-13 - 7:06:35 PM GMT





Budget & Fiscal Management Committee

June 11, 2025

Agenda Item No. 7 Briefing No. 2025-B0091

Proposed Safe and Stable Communities Sales Tax

There are no materials for this item.



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	8	Name:	Mary Bourguignon
Proposed No.:	2025-0132	Date:	June 11, 2025

SUBJECT

Proposed Ordinance 2025-0132 would authorize the sale of the Village at Overlake Station property in Redmond to the King County Housing Authority for \$1.25 million.

SUMMARY

In 1999, the Council approved¹ a 50-year lease with a possible 25-year extension for the eastern parcel of Metro's Overlake Park & Ride property in Redmond to the King County Housing Authority (KCHA) for a transit-oriented development (TOD) affordable housing and commuter parking project. The western parcel of the Park & Ride property, which was not part of the lease agreement, holds a Metro bus loop and commuter loading area.

KCHA's Village at Overlake Station,² which opened in 2002 on the leased parcel, is a 308-unit housing complex affordable to people earning up to 60% of area median income. It also includes 200+ shared parking spaces, of which 150 are reserved for commuters on weekdays; a childcare facility; and a bus operator comfort station.

Proposed Ordinance 2025-0132 would authorize the sale for \$1.25 million of the Village at Overlake Station property to KCHA, which was requested to enable KCHA to secure more favorable financing on its construction loan. The agreement would also:

- Terminate the July 7, 2000, ground lease between King County and KCHA.
- Preserve 150 parking stalls for commuter use on weekdays through an easement for public Park & Ride use that KCHA would grant to King County.
- Assign operations and maintenance responsibilities to both KCHA and King County, specifically that KCHA will maintain the commuter parking facilities and King County will maintain the additional transit facilities, including the Metro bus loop, commuter loading area, and bus operator comfort station.
- Provide an easement across the County's property to allow access to utilities, as well as ingress and egress to the KCHA Village at Overlake Station property.

¹ Ordinance 13693 ([link](#))

² Village at Overlake Station, King County Housing Authority ([link](#))

BACKGROUND

Transit-oriented development. Transit-oriented development (TOD) is defined as property development for residential, commercial, office, or entertainment uses centered around or located near³ a transit station that is served by reliable public transit with a mix of other transportation options.⁴

According to the Federal Transit Administration (FTA), the rationale for encouraging TOD is that “dense, walkable, mixed-use development near transit attracts people and adds to vibrant, connected communities.”⁵ The FTA notes that developing affordable housing near transit can lead to more equitable communities.

In August 1999, to encourage TOD in King County, the Council amended the King County Code’s provisions related to leasing County-owned real property, to add TOD to a list of uses for which the County could lease property for up to 50 years, with leases of up to 75 years to be allowed for affordable housing developed by a public housing authority or nonprofit organization.⁶

The Village at Overlake Station. In December 1999, the Council used the new Code provisions to authorize⁷ the Executive to lease the eastern parcel of Metro’s Overlake Park & Ride property to the King County Housing Authority (KCHA) for TOD purposes. The western parcel of the Park & Ride property, which was not part of the lease agreement, holds a Metro bus loop and commuter loading area. (See Attachment 6 to this staff report for a vicinity map.) KCHA was to construct and operate a two-level parking garage on the leased parcel with approximately 540 stalls, as well as an affordable housing development with at least 300 units.

The lease term was for 50 years, with a possible 25-year extension. Under the terms of the lease, KCHA was required to develop at least 300 units of housing on the site, all of which were required to be affordable for households earning 60% of area median income or less.⁸ Sixty of the units were to be set aside for people with disabilities, with 30 of those units constructed as barrier free. KCHA was also to construct a 2,400 square foot childcare facility and a new bus operator comfort station.

King County was to provide up to \$750,000 for the parking structure portion of the project. The lease included a parking management plan, which required that at least 150 stalls be

³ The Puget Sound Regional Council in its Growing Transit Communities Strategy (2013) defined “near” as being within a half-mile walk of a transit stop or station ([link](#)).

⁴ This staff report focuses on TOD policy in place in the late 1990s when the Overlake Park & Ride lease was approved. However, in the decades since then, the Puget Sound Regional Council has approved TOD policies and goals through its Growing Transit Communities Strategy ([link](#)), Metro has developed a Transit-Oriented Communities policy (Policy PFC-9-1-DP), and the County has bonded against lodging tax revenues to support TOD projects around the county (the most recent report on the TOD bond fund can be found at 2023-RPT0087 ([link](#))).

⁵ Federal Transit Administration, Transit-Oriented Development ([link](#))

⁶ Ordinance 13599 ([link](#)), KCC 4.56.180.A.3

⁷ Ordinance 13693 ([link](#))

⁸ Currently, 60% of area median income is approximately \$63,000 for a single person and \$90,000 for a four-person household. KCHA’s current income limits for 30% and 80% of area median income are posted at its web site ([link](#)).

available to commuters for at least eight hours each weekday (5:00 am to 1:00 pm), with the remaining stalls to be shared by commuters and residents on a first-come, first-served basis.

To reflect the TOD goals of the planned development, the lease stated that, during the first two years the new development was occupied, each household would receive a bus pass for use during tenancy, with costs for the bus passes to be shared equally by KCHA and King County.

Because the Overlake Park & Ride property had been purchased with federal grant support, the lease noted that FTA approval of the TOD proposal was required, with the lease terms to be subject to FTA guidelines for joint development projects.⁹

Analysis conducted during the 1999 deliberations indicated that costs to King County were anticipated to be \$3.4 million for the County's contributions to the development process, bus passes, and the value of foregone parking. Benefits to King County were estimated to be \$8.2 million over time from maintenance savings (because KCHA rather than King County would operate the Park & Ride), increased transit usage, and payments during the lease term from the developer.

The Village at Overlake Station¹⁰ opened in early 2002. The development included 308 affordable housing units, with 76 studio, 117 one-bedroom, 106 two-bedroom, and nine three-bedroom units. It also included shared resident and commuter parking spaces (with 150 required reserved for commuters on weekdays), a childcare facility for residents and commuters, and a bus operator comfort station.

When it opened, the Village at Overlake Station was one of the first suburban, bus-focused TOD projects in the country. To publicize lessons learned from its development, both the FTA and A Regional Coalition for Housing (ARCH), the partnership of East King County cities working to develop affordable housing, prepared case studies on the project in the years after it opened. These case studies covered both the transit and affordability benefits the project provided, as well as the number of community partners – including the federal and state governments, King County, KCHA, the City of Redmond, Fannie Mae, and private developers – that had been necessary to propose, fund, permit, and develop the project.¹¹

The Village at Overlake Station was developed as a TOD project with proximity to transit one of its features. Current transit proximity will be adjusted when the East Link Connections Mobility Project transit service restructure is implemented.¹² That will occur when Sound Transit's 2 Line Link light rail fully opens in early 2026. At that time, the development will be directly served by Metro Routes 222 and 223 and within a half mile walk of Route 245, the RapidRide B Line, and Sound Transit's 2 Line Link light rail.

⁹ Ordinance 19393, Attachment A §A.8

¹⁰ Village at Overlake Station, King County Housing Authority ([link](#))

¹¹ ARCH, A Regional Coalition for Housing, Housing 101 Workbook, updated May 2011 ([link](#))

¹² Ordinance 19899 approved the East Link transit restructure, which will be implemented when the full Sound Transit 2 Line is opened, currently expected in early 2026.

Proposal to refinance. According to the Executive, KCHA approached Metro in 2024 to discuss opportunities to lower the interest rate KCHA was paying on its construction loan for the property. KCHA had financed the development and construction of the Village at Overlake Station, including both the housing and the parking garage, at a cost of more than \$44 million.

KCHA had secured a variable rate loan, for which the interest rate can fluctuate. KCHA reported that it was carrying a loan balance of approximately \$18 million and had experienced an increase in loan payments from approximately \$20,000 per month to more than \$70,000 per month due to the inflation and higher interest rates of the last several years. In response, KCHA began to seek opportunities to refinance its loan from a variable interest rate to a fixed interest rate and concluded that the best way to achieve this goal would be to purchase the property from King County and refinance as an owner rather than as a tenant.

ANALYSIS

Proposed Ordinance 2025-0132 would authorize the sale of the Village at Overlake Station property (the eastern parcel of Metro's Overlake Park & Ride property in Redmond) to the King County Housing Authority (KCHA) for \$1.25 million. It would also:

- Terminate the July 7, 2000, ground lease between King County and KCHA.
- Preserve 150 parking stalls for commuter use on weekdays through an easement for public Park & Ride use that KCHA would grant to King County.
- Assign operations and maintenance responsibilities to both KCHA and King County, specifically that KCHA will maintain the commuter parking facilities and King County will maintain the additional transit facilities, including the Metro bus loop, commuter loading area, and bus operator comfort station.
- Provide an easement across the County's property to allow access to utilities, as well as ingress and egress to the KCHA Village at Overlake Station property.

Agreement terms. Attachment A to Proposed Ordinance 2025-0132 contains the Purchase and Sale Agreement, which includes seven exhibits that, taken together, would effectuate the sale and implement the easements, ground lease termination, and ongoing operations and maintenance responsibilities. Key terms are as follows:

- **Purchase and Sale Agreement**

- King County will sell to KCHA its rights, title, and interest in the property other than the additional transit facilities, defined in Exhibit D, and including a utilities and access easement, described in Exhibit H (Article 1).
- The purchase price will be \$1.25 million to be paid at closing (Article 2).
- Effective as of the closing date, the July 7, 2000, ground lease will be terminated (Article 2).
- KCHA waives its right to receive a seller disclosure statement (Article 3) and is responsible for due diligence regarding the condition of the property (Article 5).
- KCHA is required to obtain title insurance for the property (Article 4).

- King County's performance is contingent on approval by the Council within 120 days of the effective date of the Agreement, with possible extension for up to 60 days¹³ (Article 5).
- The parties must obtain FTA consent for the property sale (Article 5).
- **Exhibit A** contains a legal description of the property.
- **Exhibit B** contains the Bargain and Sale Deed.
- **Exhibit C** has been omitted.
- **Exhibit D: Deed for Easement for Public Park & Ride and Related Purposes**
 - KCHA agrees to grant King County a perpetual easement for public commuter parking (§A.3, B.1) to benefit the public transportation system (§B.2).
 - KCHA will operate and maintain the public commuter parking at KCHA's sole cost and expense (§A.4), which includes setting aside a minimum of 150 parking stalls on the lower level of the existing KCHA garage for the exclusive use by members of the general public (non-residents) who use public transit during the hours of 5:00 am to 1:00 pm on weekdays (§C.1.4.1) and KCHA will not allow these stalls to be used for any other purpose during the designated hours (§C.1.4.3). All other parking stalls on the lower level of the garage will be available for shared use by residents, visitors, guests, and commuters (§C.1.4.1).
 - The easement is floating and KCHA may reconfigure the parking facilities subject to King County's review and approval (§B.3).
 - The parties acknowledge that King County owns and will maintain the additional transit facilities, which include the County's property with the bus loop, transit fixtures such as lights and benches, stairs from the passenger loading area to the KCHA garage, and the bus operator comfort station that is located within the existing KCHA garage (§B.4).
 - The parties will cooperate to minimize the impact of transit operations in and around King County's property (§C.1.4.4).
 - KCHA will cooperate with King County to satisfy all FTA obligations for the commuter parking in the existing KCHA garage (§C.2.2).
- **Exhibit E: Operations and Maintenance (O&M) Agreement for KCHA Commuter Parking Facilities at Overlake Village**
 - The purpose of the O&M Agreement and the attached maintenance schedules is to establish a common understanding between KCHA and King County regarding obligations to operate and maintain the commuter parking facilities (including the 150 commuter parking stalls) at the Village at Overlake Station, as well as the additional transit facilities, which include the adjoining bus loop, commuter loading area, and bus operator comfort station (§1).
 - KCHA is solely responsible for the enforcement of proper use, safety and security, ADA regulations, signage, management, operations, maintenance, repair, and daily operations of the 150 commuter parking stalls (§2, 3).

¹³ Note: Effective Date is March 18, 2025. The deadline of 120 days is July 16, 2025. The possible extended deadline of 120 days + 60 days is September 14, 2025.

- KCHA agrees to Schedule 1, which is attached to the O&M Agreement, and which outlines the maintenance, repair, and replacement schedule for the commuter parking facilities (§4).
- King County is solely responsible for the operations and maintenance of the additional transit facilities, including the bus loop, commuter loading area, and bus operator comfort station, and agrees to Schedule 2, which is attached to the O&M Agreement, and which outlines the maintenance, repair, and replacement schedule for the additional transit facilities (§5).
- **Exhibit F** contains a seller's certification of non-foreign status.
- **Exhibit G** contains the release of the Memorandum of Lease, terminating the July 7, 2000, ground lease.
- **Exhibit H: Access and Utilities Easement**
 - King County grants KCHA a permanent easement over, under, and across the County's property (the bus loop property) to benefit the KCHA property (§3.1).
 - KCHA accepts the easement area in "as is" condition (§3.3).
 - KCHA has non-exclusive right of access to the easement area for: (a) ingress and egress from the KCHA property over existing and future roads; and (b) inspecting, installing, constructing, repairing, operating, and maintaining utility lines to the KCHA property (§3.5).
 - King County reserves the right to use the easement area for any purpose that is not inconsistent with the rights granted to KCHA (§3.10).
 - King County is solely responsible for all signage in the easement area; shall obtain and comply with all needed permits or approvals needed for the easement area; and shall maintain, at its cost, the road surface, landscaping, sidewalks, and any amenity located in the easement area (§3.11, 3.12).
 - King County and KCHA are each responsible for the costs of maintenance, repair, and replacement of utility systems serving their respective property (§3.12).

Federal concurrence. Because the property was originally purchased by Metro using federal funding, concurrence from the Federal Transit Administration (FTA) was required when the property was initially leased and was required again prior to the proposal to sell the property. The FTA provided a letter of concurrence for the property sale on February 11, 2025. That letter (which can be found as Attachment 5 to this staff report), concurs with the proposed property sale, the easements Metro will receive, and the appraisal that set the sales price. The concurrence letter notes that the funds Metro will receive from the sale are restricted for use in a subsequent capital project.

Surplus declaration. The King County Code requires that before property is declared surplus, it must be determined if the property is needed by other County agencies and if it is suitable for affordable housing, meaning that the property is located within the Urban Growth Area, zoned residential, and housing development is compatible with the neighborhood.¹⁴ In the case of the subject property, it was not needed by other County agencies and is already being used for affordable housing. The Facilities Management

¹⁴ KCC 4.56.070.C.1

Division (FMD) of the Department of Executive Services declared the property surplus on July 24, 2024.

Review under the State Environmental Policy Act (SEPA) was required. A Determination of Non-Significance was issued on August 8, 2024. The Executive notes that there will be no changes to the existing built environment because of the proposed property sale; the only change will be to the ownership of the ground beneath the existing affordable housing and parking structure.

Appraisal and sales price. The proposed \$1.25 million purchase price for the property is based on an appraisal that was conducted July 7, 2024. The appraisal compared three different ways of estimating the property's value: a direct capitalization method, that produced a value of \$1.22 million; a yield capitalization method based on a lease termination date of July 7, 2050 (the 50-year lease with no extension), that produced a value of \$2.065 million; and a yield capitalization method based on a lease termination date of July 7, 2075 (the 50-year lease with 25-year extension), that produced a value of \$1.285 million. Based on the assumption that the 25-year extension to the lease was likely to be granted, the appraiser estimated the value of the leased fee interest in the property to be \$1.25 million.

Fiscal impact. The fiscal note that was submitted with the legislation (see Attachment 3 to this staff report) indicates that Metro will receive \$1.25 million for the sale of the property and that FMD Real Estate Services' costs toward the sale were \$1,600.

Next steps. Legal analysis of the proposed agreement is ongoing. Following committee action, notice of a public hearing on the proposed property sale will be provided as required.¹⁵ If the committee acts at the June 11, 2025, meeting, notice would be provided for a public hearing and possible action at the July 1, 2025, Council meeting.

ATTACHMENTS

1. Proposed Ordinance 2025-0132 (and Attachment A)
2. Transmittal Letter
3. Fiscal Note
4. Property Summary, as transmitted
5. FTA letter of concurrence
6. Vicinity Map

INVITED

- Jennifer Ash, Real Estate Lead, King County Metro Transit Department
- Steve Rizika, Real Property Agent Supervisor, Facilities Management Division, Department of Executive Services
- Tim Walter, Sr. VP of Development & Asset Management, King County Housing Authority
- Dan Watson, Advisor to the President/CEO, King County Housing Authority

¹⁵ KCC 4.56.140.B, RCW 39.33.020



KING COUNTY

Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2025-0132.1

Sponsors Dembowski

1 AN ORDINANCE relating to the sale of the property, the
2 Village at Overlake Station, located at 2578 152nd Ave
3 NE, Redmond, Washington, in council district six.

4 **STATEMENT OF FACTS:**

- 5 1. The property located at 2578 152nd Ave NE, Redmond, Washington,
6 located within council district six, is one of two county-owned parcels that
7 comprise a transit-oriented development referred to as the Village at
8 Overlake Station, operated by King County Housing Authority ("the
9 eastern parcel"), and the Overlake Park and Ride, operated by the Metro
10 transit department ("the western parcel").
- 11 2. In 2000, the county and King County Housing Authority ("KCHA")
12 entered a seventy-five-year ground lease requiring KCHA to construct and
13 operate affordable housing apartment buildings above a parking garage on
14 the eastern parcel, replacing an existing surface parking lot. The parking
15 garage contains public commuter parking to complement the bus loop and
16 commuter loading area on the western parcel.
- 17 3. Because KCHA does not own the real property in fee, it pays
18 significant financing costs related to the development and is unable to
19 refinance to a more favorable interest rate.

20 4. The Metro transit department and KCHA negotiated a purchase and
21 sale agreement whereby:

22 a. the county sells the eastern parcel to KCHA at the appraised market
23 value and terminates the ground lease;

24 b. KCHA grants an easement to the county to preserve in perpetuity at
25 no cost the commuter parking spaces in the garage along with a bus
26 operator comfort station;

27 c. the county grants an easement to KCHA for ingress, egress, and
28 utilities across the western parcel; and

29 d. the county and KCHA enter an agreement for the continued
30 operations and maintenance of the public commuter facilities contained on
31 both parcels.

32 5. The facilities management division completed the surplus property,
33 affordable housing, and public notice requirements.

34 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

35 SECTION 1. The executive is authorized to convey the Village at Overlake

36 Station property to King County Housing Authority consistent with a purchase and sale

- 37 agreement substantially in the form of Attachment A to this ordinance and to take all
38 actions necessary to implement the terms of the purchase and sale agreement.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: A. Purchase and Sale Agreement

ATTACHMENT A:

PURCHASE AND SALE AGREEMENT

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered by and between **KING COUNTY**, a political subdivision of the State of Washington (the “Seller”) and the **KING COUNTY HOUSING AUTHORITY**, a public body corporate and politic organized under Washington State law (the “Buyer”). Seller and Buyer are also referred to herein individually as a “Party” or collectively as “Parties.” This Agreement shall be effective as of the date it has been executed by both Parties (“Effective Date”).

RECITALS

A. Seller is the owner of that certain real property located at 2580 152nd Ave N.E., in the City of Redmond, King County, State of Washington, the legal description of which is attached hereto as **EXHIBIT A** (the “Real Property”), sometimes known as the Village at Overlake Station.

B. Seller desires to sell the Real Property and Buyer desires to purchase the Real Property, on the terms and conditions set forth in this Agreement. The Parties are entering into this Agreement pursuant to the authority granted in the Housing Cooperation Law, RCW ch. 35.83.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Parties hereto covenant and agree as follows:

ARTICLE 1. PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

1.1.1. all the Seller’s right, title and interest in the Real Property as legally described in **EXHIBIT A**;

1.1.2. all of Seller’s right, title and interest in improvements and structures located on the Real Property, if any;

1.1.3. all of Seller’s right, title and interest in and to tangible personal property, if any, owned by the Seller and attached, appurtenant to or used in connection with the Real Property, other than the “Additional Transit Facilities” as such term is defined in the parking easement attached hereto as Exhibit D (“Personal Property”);

1.1.4. all of Seller’s easements and other rights that are appurtenant to the Real Property including but not limited to, Seller’s right, title, and interest in and to streets, alleys or

other public ways adjacent to the Real Property, sewers and service drainage easements, rights of connection to the sewers, rights of ingress and egress, and leases, licenses, government approvals and permits affecting the Real Property; and

1.1.5 a utilities and access easement, benefiting the Property and burdening Seller's adjacent property, substantially in the form of **EXHIBIT H** attached hereto ("Access and Utilities Easement").

Hereinafter, the items listed in Section 1.1 are collectively referred to as the "Property."

ARTICLE 2.

PURCHASE PRICE; ADDITIONAL CONSIDERATION

2.1. PURCHASE PRICE AND PAYMENT. In partial consideration of the conveyance of the Property, Buyer shall pay to Seller on the Closing Date an amount equal to \$1,250,000.00 in total (the "Purchase Price").

2.2. ALLOCATION OF PURCHASE PRICE. Seller and Buyer agree that the entire Purchase Price is allocable to the Real Property and that the value of the Personal Property, if any, is *de minimis*.

2.3. GRANT OF EASEMENT. In further consideration of the conveyance of the Property, at Closing Buyer shall grant to Seller a perpetual easement for park-and-ride and related purposes, substantially in the form attached hereto as **Exhibit D**.

2.4 TERMINATION OF GROUND LEASE; BUYER'S INDEMNITY AGAINST TERMINATION-RELATED CLAIMS. In further consideration of the conveyance of the Property:

2.4.1 Effective as of the Closing Date (as defined in Article 10 herein), that certain ground lease between the Parties and dated July 7, 2000 (as amended from time to time, the "Ground Lease"), copies of which are on file with the Parties, shall be terminated and a Release of Memorandum of Lease shall be recorded at Closing. From and after the Closing Date, neither Party shall have any right, duty, or obligation under the Ground Lease except as to such matters, rights, and obligations as may survive termination of the Ground Lease according to its terms; and

2.4.2 Buyer shall hold harmless, indemnify, and defend Seller against any and all claims, debts, causes of action, demands, obligations, losses, Liens (as defined in the Ground Lease), damages, judgments, including reasonably attorneys' fees and expenses, and liabilities (collectively, "Claims"), arising out of or relating to the termination of the Ground Lease, including but not limited to any Claims arising out of or relating to any alleged breach or default in the performance of any obligation of any kind whatsoever on the part of Buyer. Upon notice from Seller, Buyer shall defend any such Claim at Buyer's sole cost and expense and with counsel reasonably satisfactory to Seller. This indemnity is in addition to, and separate from, any other indemnities by Buyer of Seller in this Agreement.

ARTICLE 3.

REPRESENTATIONS AND WARRANTIES OF THE PARTIES AND CONDITION OF PROPERTY

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows:

3.1.1. ORGANIZATION. The Seller is a political subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington.

3.1.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery, and performance of this Agreement by Seller (i) is within the powers of Seller as a political subdivision of the State of Washington, and (ii) subject to the contingency in section 5.2 of this Agreement, has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority. This Agreement constitutes the legal, valid, and binding obligation of Seller enforceable against Seller in accordance with the terms herein.

3.1.3. NO BROKER. No broker, finder, agent, or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's, or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with Seller or any action taken by Seller.

3.1.4. FUTURE AGREEMENTS. From and after the Effective Date unless this Agreement is terminated in accordance with its terms, Seller shall not without the prior written consent of Buyer:

(a) enter into any agreement, contract, commitment, lease, or other transaction that affects the Property in any way; or

(b) sell, dispose of, or encumber any portion of the Property.

3.1.5. FOREIGN PERSON. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986 ("Code"), as amended and shall deliver to Buyer prior to the Closing an affidavit, as set forth in **EXHIBIT F**, evidencing such fact, and such other documents as may be required under the Code.

3.2. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the date hereof and as of the Closing Date, Buyer represents and warrants as follows:

3.2.1. ORGANIZATION. Buyer is a public body corporate and politic duly organized, validly existing and in good standing under the laws of the State of Washington, including but not limited to RCW chapter 35.82. Buyer has all requisite corporate power and

authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.

3.2.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery, and performance of this Agreement by Buyer (i) is within the powers of Buyer as a Washington State housing authority, and (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Buyer's governing authority. This Agreement constitutes the legal, valid, and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

3.2.3. NO BROKER. No broker, finder, agent, or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent, or similar intermediary is entitled to any broker's, finder's, or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with the Buyer or any action taken by the Buyer.

3.3. CONDITION OF PROPERTY.

3.3.1. SELLER DISCLOSURE STATEMENT. To the maximum extent permitted by RCW ch. 64.06, Buyer expressly waives its right to receive from Seller a seller disclosure statement ("Seller Disclosure Statement") and to rescind this Agreement, both as provided for in RCW ch. 64.06. Seller and Buyer acknowledge and agree that Buyer cannot waive its right to receive the section of the Seller Disclosure Statement entitled "Environmental" if the answer to any of the questions in that section would be "yes." Nothing in any Seller Disclosure Statement delivered by Seller creates a representation or warranty by the Seller, nor does it create any rights or obligations in the Parties except as set forth in RCW ch. 64.06. Buyer is advised to use its due diligence to inspect the Property as allowed for by this Agreement, and that Seller may not have knowledge of defects that careful inspection might reveal. Buyer specifically acknowledges and agrees that any Seller Disclosure Statement delivered by Seller is not part of this Agreement, and Seller has no duties to Buyer other than those set forth in this Agreement.

3.3.2. SELLER DISCLAIMER OF CONDITION OF THE PROPERTY. Except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts, or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property (collectively "Condition of the Property"), including, without limitation:

- (a) The water, soil, and geology;
- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;

(d) The compliance or noncompliance of or by the Property or its operation with any laws, rules, ordinances, regulations, or decrees of any applicable governmental authority or body or the zoning or land use designation for the Property;

(e) The habitability, merchantability, marketability, profitability, or fitness for a particular purpose of the Property;

(f) The manner or quality of the construction or materials, if any, incorporated into the Property and the existence, nonexistence, or condition of utilities serving the Property;

(g) The actual, threatened, or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal, or other handling of any Hazardous Substances in, on, under, or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county, and local laws and regulations, including, without limitation, Environmental Laws and regulations and seismic/building codes, laws, and regulations. For purposes of this Agreement, the term “Environmental Law” shall mean: any federal, state, or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction, or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. (“CERCLA”); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. (“RCRA”); the Washington State Model Toxics Control Act, RCW ch. 70A.305 (“MTCA”); the Washington Hazardous Waste Management Act, RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Agreement, the term “Hazardous Substance” shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law; or

(h) Any other matter with respect to the Property.

3.3.3. BUYER ACCEPTANCE OF CONDITION OF PROPERTY.

(a) Buyer acknowledges and accepts Seller’s disclaimer of the Condition of the Property in Section 3.3.2 of this Agreement.

(b) Buyer acknowledges and agrees that, within the Due Diligence Period as defined in Section 5.1 of this Agreement, Buyer will have conducted a physical inspection and made all investigations that Buyer deems necessary in connection with its purchase of the Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and is not relying on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to

the accuracy or completeness of such information and no employee or agent of Seller is authorized otherwise. Buyer further acknowledges and agrees that Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any agent, employee, or contractor of Seller, any real estate broker, or any other person.

(c) Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer acknowledges and agrees that it will thereby approve and accept the Condition of the Property and accordingly agree to purchase the Property and accept the Condition of the Property "AS IS, WHERE IS" with all faults and patent or latent defects, including, without limitation, the actual, threatened, or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal, or other handling of any Hazardous Substances in, on, under, or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county, and local laws and regulations including, without limitation, Environmental Laws and regulations and seismic/building codes, laws, and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Buyer, and any person or entity claiming by or through Buyer, shall have no recourse against the Seller for, and waives, releases, and discharges forever the Seller from, any and all past, present, or future claims or demands, and any and all past, present, or future damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs, and expenses (including, without limitation fines, penalties, and judgments, and attorneys' fees) of any and every kind or character, known or unknown (collectively, "Losses"), which the Buyer might have asserted or alleged against the Seller arising from or in any way related to the Condition of the Property, including, without limitation, the actual, threatened, or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal, or other handling of any Hazardous Substances in, on, under, or emanating from or into the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or decree or by order of or agreement with any governmental authority, or that is conducted voluntarily, (b) losses for injury or death of any person, and (c) losses arising under any Environmental Law, whether or not enacted after transfer of the Property.

3.3.4. INDEMNIFICATION. From and after the Closing Date, Buyer shall indemnify, defend and hold Seller, its officers, agents, and employees harmless from and against any and all Losses, liability, claim, agency order or requirement, damage, and expense arising from and after July 17, 2000 and relating to or arising out of, directly or indirectly, the Property, including without limitation those relating to the actual or threatened release, disposal, deposit, seepage, migration, or escape of Hazardous Substances at, from, into, or underneath the Property, and the compliance or noncompliance of the Property with applicable federal, state, county, and local laws and regulations including, without limitation, Environmental Laws and regulations.

ARTICLE 4. TITLE MATTERS

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4.1. CONVEYANCE. Seller shall convey to Buyer the title to the Property by bargain and sale deed in substantially the form attached hereto as **EXHIBIT B**, subject only to the Permitted Exceptions (as defined below), the lien of current real property taxes, fees, and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed general exceptions and exclusions contained in the form of title insurance policy required by Section 4.4 of this Agreement.

4.2. TITLE COMMITMENT. Buyer shall within fifteen (15) days after the Effective Date obtain a preliminary commitment for an owner's standard coverage policy of title insurance (the "Title Commitment") issued by Chicago Title Insurance Company (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. Buyer shall have the option to purchase extended coverage title insurance, if desired. At such time as the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property.

4.3. REVIEW OF TITLE COMMITMENT. Buyer shall have until ten (10) days after the Effective Date (the "Review Period") in which to notify Seller in writing of any objections Buyer has to any matters shown or referred to in the Title Commitment ("Buyer's Objections"). Any exceptions or other items that are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions ("Permitted Exceptions"). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within ten (10) days after Seller receives Buyer's Objections of any exceptions to title which Seller will not remove or otherwise resolve ("Seller's Response"), and Buyer may, at Buyer's option, either proceed to Closing and thereby waive the Buyer's Objections not cured, in which case such exceptions to title shall be Permitted Exceptions, or Buyer may terminate this Agreement by notice to Seller within ten (10) days after receipt of Seller's Response. If the Title Company issues a supplement to the Title Commitment that identifies new exceptions, the procedure set forth in this Section 4.3 shall apply to such supplement, except that Buyer will have seven (7) days to make Buyer's Objections to any new exception, Seller shall have five (5) days to provide Seller's Response, and the Closing Date will be extended for the period necessary to allow the procedures set forth herein to be completed with regard to a timely objection.

4.4. OWNER'S TITLE INSURANCE POLICY. At the Closing, Buyer shall receive an owner's policy of title insurance to be issued by the Title Company in the full amount of the Purchase Price, effective as of the Closing Date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions, the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and, unless extended coverage insurance is obtained, the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by the Title Company. The obligation for the title policy called for herein shall be satisfied if, at the Closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policies in the form required by this Section. If requested in writing by Seller, Buyer

shall provide a copy of such binding commitment to Seller to verify satisfaction of this obligation as a condition to Seller being obligated to close. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

ARTICLE 5. CONTINGENCIES

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer shall satisfy itself by investigation and inspection, at its cost and expense in its sole and absolute discretion, that the condition of the Property for Buyer's contemplated use meets with its approval ("Due Diligence Contingency"). If Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by delivering written notice of termination to Seller within ten (10) days of the Effective Date ("Due Diligence Period"). In such event this Agreement shall terminate, and the Parties shall have no further obligations hereunder. If Buyer fails to give such notice to terminate within the Due Diligence Period or affirmatively gives notice that this Due Diligence Contingency is satisfied or waived within the Due Diligence Period, Buyer shall be obligated hereunder without further contingency except in the event of a default hereunder by Seller. Seller and Buyer may agree in writing to extend the Due Diligence Period.

5.1.1. INSPECTIONS. During the Due Diligence Period, Buyer, its designated representatives or agents shall have the right at its own expense to (a) perform any and all tests, inspections, studies, surveys, or appraisals of the Property deemed necessary, on any subject, by the Buyer (subject to the limitations set forth below and Section 5.1.2 Right of Entry); (b) obtain a Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; (c) examine all due diligence materials related to the Property that Buyer may reasonably request from Seller that are in Seller's possession and about which Seller has knowledge, and that are not protected as attorney work product, by the attorney-client privilege or by other similar confidentiality protections; (d) determine to its satisfaction whether approvals, permits, and variances can be obtained under applicable land use and zoning codes for Buyer's proposed development of the property; and (e) determine whether Buyer's proposed development of the property is economically feasible.

5.1.2. RIGHT OF ENTRY. Intentionally deleted. Buyer does not require a right of entry prior to Closing because Buyer already has possession and use of the Property under the Ground Lease.

5.2. METROPOLITAN KING COUNTY COUNCIL APPROVAL CONTINGENCY. Seller's performance under this Agreement is contingent on approval by ordinance of the conveyance of the Property by the Metropolitan King County Council ("Council Approval Contingency"). The Council Approval Contingency will be satisfied if an ordinance passed by the Metropolitan King County Council approving the conveyance of the Property becomes effective within one hundred twenty (120) days of the Effective Date ("Council Approval Period"). Seller may extend the Council Approval Period for up to an additional sixty (60) days. If the Council Approval Contingency is not satisfied within the Council Approval Period, this Agreement shall terminate

and the Parties shall have no further obligations hereunder. If the Council Approval Contingency is satisfied within the Council Approval Period, Seller shall be obligated hereunder without further contingency except in the event of a default hereunder by Buyer.

5.3 FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS AND APPROVAL. The Parties shall jointly identify applicable Federal Transit Administration (“FTA”) grant restrictions and requirements, if any, pertaining to this Agreement and shall have obtained written FTA consent for the conveyance of the Property from Seller to Buyer.

ARTICLE 6. COVENANTS OF SELLER PENDING CLOSING

6.1. CONDUCT, NOTICE OF CHANGE. Seller covenants that between the Effective Date and the Closing Seller shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 3 hereof will be true and complete as of the Closing (except such representations, warranties, and matters which relate solely to an earlier date), and all covenants of Seller set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided for in this Agreement. Seller shall give Buyer prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing.

ARTICLE 7. COVENANTS OF BUYER PENDING CLOSING

7.1. CONDUCT, NOTICE OF CHANGE. Buyer covenants that between the Effective Date and the Closing Buyer shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 3 hereof will be true and complete as of the Closing (except such representations, warranties, and matters which relate solely to an earlier date), and that all covenants of Buyer set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided in this Agreement. Buyer shall give Seller prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing.

ARTICLE 8. CONDITIONS PRECEDENT TO BUYER’S OBLIGATIONS

All obligations of Buyer to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing, and Seller shall exert its best efforts to cause each such condition to be fulfilled:

8.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer at or prior to the Closing all documents required by the terms of this Agreement to be delivered to Buyer.

8.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been properly performed in all material respects.

8.3. TITLE. Seller shall have cured any exceptions to title to which Buyer objected within the Review Period in Section 4.3 and to which Seller agreed to remove or resolve under Section 4.3, unless Seller's obligation to remove or resolve has been waived by Buyer.

8.4. CONDEMNATION. No portion of the Property shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Property to any such body in lieu of condemnation.

ARTICLE 9. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of Seller to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing, and Buyer shall exert its best efforts to cause each such condition to be so fulfilled:

9.1. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller at or prior to Closing all documents and funds required by the terms of this Agreement to be delivered to Seller.

9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing shall have been properly performed in all material respects.

9.3. TITLE. The Title Company shall be irrevocably committed to issue an owner's policy of title insurance for the full amount of the Purchase Price, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions and the other exceptions allowed for under Section 4.4 of this Agreement.

ARTICLE 10. CLOSING

10.1. CLOSING/CLOSING DATE. The Closing shall take place within fifteen (15) days following the removal of all the contingencies in Article 5 of this Agreement or such other earlier date as may be mutually agreed upon by the Parties ("Closing Date"). On or before the Effective Date, the Parties shall set up an escrow account with the Escrow Agent. The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices of the Escrow Agent in Seattle, Washington.

10.2. PRORATIONS. Real property taxes and assessments shall be prorated as of the Closing Date. Seller shall pay the cost of one-half (½) of the escrow fee charged by the Escrow Agent, any real estate excise or other transfer tax due, and its own attorneys' fees. Buyer shall pay one-half (½) of the escrow fee charged by the Escrow Agent, the premium for the title insurance and any costs of the preliminary and binding title commitments, the recording fees for

the deed and its own attorneys' fees. Except as otherwise provided in this Section 10.2, all other expenses hereunder shall be paid by the Party incurring such expenses.

10.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer via escrow with the Escrow Agent the following properly executed documents:

10.3.1. A bargain and sale deed conveying the Property substantially in the form of **EXHIBIT B** attached hereto;

10.3.2. A deed for easement for public park-and-ride and related purposes, substantially in the form of **EXHIBIT D** to this Agreement, acknowledging grant of the easement;

10.3.3. An Operations and Maintenance Agreement for KCHA Commuter Parking Facilities at Overlake Village substantially in the form of **EXHIBIT E** to this Agreement;

10.3.4. A seller's certificate of non-foreign status substantially in the form of **EXHIBIT F**, attached hereto;

10.3.5 A release of Memorandum of Lease, substantially in the form of **EXHIBIT G** to this Agreement;

10.3.6 The Access and Utilities Easement, substantially in the form of **EXHIBIT H** to this Agreement; and

10.3.7 Such other instruments or documents as may be necessary to implement the transactions contemplated in this Agreement.

10.4. BUYER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent the following properly executed instruments:

10.4.1 A bargain and sale deed acknowledging conveyance of the Property substantially in the form of **EXHIBIT B** to this Agreement.

10.4.2 The Purchase Price and such additional sums as may be required of Buyer under this Agreement for prorations, expenses, and adjustments;

10.4.3 A deed for easement for public park-and-ride and related purposes, substantially in the form of **EXHIBIT D** to this Agreement;

10.4.4 An Operations and Maintenance Agreement for KCHA Commuter Parking Facilities at Overlake Village substantially in the form of **EXHIBIT E** to this Agreement; and

10.4.5 A release of Memorandum of Lease, substantially in the form of **EXHIBIT G** to this Agreement;

10.4.6 The Access and Utilities Easement, substantially in the form of **EXHIBIT H** to this Agreement; and;

10.4.7 Such other instruments or documents as may be necessary to implement the transactions contemplated in this Agreement.

ARTICLE 11. MISCELLANEOUS PROVISIONS

11.1. NON-MERGER. Each statement, representation, warranty, indemnity, covenant, agreement, and provision in this Agreement shall not merge in, but shall survive the Closing of the transaction contemplated by this Agreement unless a different time period is expressly provided for in this Agreement.

11.2. DEFAULT AND ATTORNEYS' FEES.

11.2.1. DEFAULT BY BUYER. In the event Closing does not occur due to default by Buyer, Seller's sole and exclusive remedy shall be to terminate this Agreement.

11.2.2. DEFAULT BY SELLER. In the event Closing does not occur due to default of Seller, Buyer's sole and exclusive remedy shall be to terminate this Agreement.

11.2.3. ATTORNEY'S FEES. In any action to enforce this Agreement, each Party shall bear its own attorney's fees and costs.

11.3. TIME.

11.3.1. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

11.3.2. COMPUTATION OF TIME. Any reference to "day" in this Agreement shall refer to a calendar day, which is every day of the year. Any reference to business day in this Agreement shall mean any calendar day that is not a "Legal Holiday." A Legal Holiday under this Agreement is a Saturday, Sunday, or legal holiday as defined in RCW 1.16.050. Any period of time in this Agreement shall mean Pacific Time and shall begin the calendar day or business day, as the case may be, after the event starting the period and shall expire at 5:00 p.m. of the last calendar day or business day, as the case may be, of the specified period of time, unless with regard to calendar days the last day is a Legal Holiday, in which case the specified period of time shall expire on the next day that is not a Legal Holiday.

11.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier or two days after deposit in the United States mail if by first class, certified, or registered mail, return receipt requested. The Parties may also agree to give and receive notice by email or other electronic means; provided that if a Party disputes delivery or receipt of an electronic notice then that Party shall bear the burden of proving that the notice was not delivered or received. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to Buyer: Housing Authority of the County of King
600 Andover Park West
Tukwila, WA 98188
Attn: CEO and President
with a copy to: SVP of Development and Asset
Management

If to Seller: King County
King County Facility Management Division
Real Estate Services Section
401 5th Avenue, CNK-ES-0930
Seattle, WA 98104
Attn: Steve Rizika

With a copy to: King County Prosecuting Attorney's Office
Civil Division
701 5th Avenue, Suite 600
Seattle, WA 98104
Attn: Darren Thompson

11.5. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties.

11.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated, or voided.

11.7. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

11.8. BINDING EFFECT. Subject to Section 11.14 below, this Agreement shall be binding upon and inure to the benefit of each Party, its successors and assigns.

11.9. LEGAL RELATIONSHIP. The Parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

11.10. CAPTIONS. The captions of any articles, paragraphs, or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs, or sections.

11.11. COOPERATION. Prior to and after Closing the Parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other Party in order to carry out the provisions and purposes of this Agreement.

11.12. GOVERNING LAW AND VENUE. This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

11.13. NO THIRD PARTY BENEFICIARIES. This Agreement is made only to and for the benefit of the Parties, and shall not create any right, duty, privilege, claim, or cause of action in any other person or entity.

11.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent.

11.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties, and shall not be construed as if it has been prepared by one of the Parties, but rather as if both Parties had jointly prepared it. The language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. The Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement. Each Party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of this Agreement.

11.16. SELLER'S KNOWLEDGE. Any and all representations or warranties or other provisions in this Agreement that are conditioned on terms such as "to Seller's knowledge" or "about which Seller has knowledge" are made to and limited by the present, actual knowledge of Tom Paine, who is an employee of King County, and is a Supervisor of the Transit Real Estate and Environmental Planning workgroup in the Capital Division of King County Metro Transit Department. Tom Paine has made no inquiries or investigations with respect to Seller's representations or warranties or other provisions prior to the making thereof and has no duty to undertake the same.

11.17. INDEMNIFICATION TITLE 51 WAIVER. The indemnification provisions in Sections 2.4.2, 3.3.4, and 5.1.2 of this Agreement are specifically and expressly intended to constitute a waiver of the Buyer's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the Seller only, and only to the extent necessary to provide the Seller with a full and complete indemnity of claims made by the Buyer's employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

11.18. COUNTERPARTS. To facilitate execution, this Agreement and the other instruments contemplated herein may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each Party, or that the

signature of all persons required to bind any Party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each Party hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter may be attached to another counterpart identical thereto except having attached to it additional signature pages. This Agreement and related instruments may be electronically signed, and any electronic signature appearing on this Agreement or a related instrument shall be deemed to constitute an original signature for purposes of validity, enforcement, and admissibility.

11.19. EXHIBITS. The following exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

EXHIBIT A	Legal Description
EXHIBIT B	Bargain and Sale Deed
EXHIBIT C	Omitted
EXHIBIT D	Deed for Easement for Public Park-and-Ride and Related Purposes
EXHIBIT E	Operations and Maintenance Agreement for KCHA Commuter Parking Facilities at Overlake Village
EXHIBIT F	Certificate of Non-Foreign Status
Exhibit G	Release of Memorandum of Lease
Exhibit H	Access and Utilities Easement

[SIGNATURES ON THE NEXT PAGE]

EXECUTED on the dates set forth below.

SELLER: KING COUNTY

By: DocuSigned by:
Drew Zimmerman
C8D6E4FCF0E8468...

Name: W. Drew Zimmerman

Title: Director, Facilities Management Division

Date: 3/18/2025

**BUYER: KING COUNTY HOUSING
AUTHORITY**

By: [Signature]

Name: Robin Walls

Title: President/CEO

Date: February 18, 2025

APPROVED AS TO FORM:

By: Signed by:
Darren Thompson
F508480913AAB95
Senior Deputy Prosecuting Attorney

EXHIBIT A.

LEGAL DESCRIPTION

A tract of land being a portion of Lot 2, City of Redmond Short Plat No. SS 79-18, as recorded under King County Recording No. 7908270637, in King County, Washington, situated in the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 23, Township 25 N, Range 5 E, W.M. in King County, WA.

Commencing at the Northwest Corner of said Lot 2; thence along the North line of said Lot 2, S 89°35'54" E a distance of 377.77 feet to the TRUE POINT OF BEGINNING of the herein described tract; thence S 89°35'54" E a distance of 407.21 feet to the Northeast Corner of said Lot 2; thence S 01°08'46" W a distance of 366.85 feet to the Southeast Corner of said Lot 2; thence along the South line of said Lot 2, S 89°59'30" W a distance of 402.13 feet; thence leaving said South line, N 00°21'07" E a distance of 369.70 feet to the True Point of Beginning.

The above-described tract contains 3.42 acres more or less.

EXHIBIT B.

BARGAIN AND SALE DEED

AFTER RECORDING RETURN TO:
KING COUNTY HOUSING AUTHORITY
600 Andover Park West
Tukwila, WA 98188
ATTN: Beth Pearson

BARGAIN AND SALE DEED

Grantor -- King County, Washington

Grantee -- King County Housing Authority

Legal - - - - Lot 2, Village at Overlake Station Binding Site Plan, Vol. 219 of Plats, Pages 53-56.

Tax Acct. - 894442-0020-08

The Grantor, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of mutual benefits, pursuant to King County Ordinance No. _____, does hereby bargain, sell and convey unto the Grantee, KING COUNTY HOUSING AUTHORITY, a public body corporate and politic of the State of Washington, the following real property situate in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, subject to the permitted exceptions set forth in EXHIBIT A.

GRANTOR
KING COUNTY

GRANTEE
KING COUNTY HOUSING AUTHORITY

BY: _____

BY: _____

TITLE: Director, Facilities Management Division TITLE: _____

DATE: _____

DATE: _____

Approved as to Form:

By _____
Senior Deputy Prosecuting Attorney

NOTARY BLOCKS APPEAR ON NEXT PAGE

STATE OF WASHINGTON)

COUNTY OF KING) SS
)

On this _____ day of _____, 20_, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared W. Drew Zimmerman, to me known to be the Director of the Facilities Management Division of the King County Department of Executive Services, and who executed the foregoing instrument and acknowledged to me that HE was authorized to execute said instrument on behalf of KING COUNTY for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing

at _____

City and State

My appointment expires _____

STATE OF WASHINGTON)

COUNTY OF KING) SS

On this _____ day of _____, 20_, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the King County Housing Authority for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing

at _____

City and State

My appointment expires _____

EXHIBIT A
TO BARGAIN AND SALE DEED

LEGAL DESCRIPTION

A tract of land being a portion of Lot 2, City of Redmond Short Plat No. SS 79-18, as recorded under King County Recording No. 7908270637, in King County, Washington, situated in the SE ¼ of the SW ¼ of Section 23, Township 25 N, Range 5 E, W.M. in King County, WA.

Commencing at the Northwest Corner of said Lot 2; thence along the North line of said Lot 2, S 89°35'54" E a distance of 377.77 feet to the TRUE POINT OF BEGINNING of the herein described tract; thence S 89°35'54" E a distance of 407.21 feet to the Northeast Corner of said Lot 2; thence S 01°08'46" W a distance of 366.85 feet to the Southeast Corner of said Lot 2; thence along the South line of said Lot 2, S 89°59'30" W a distance of 402.13 feet; thence leaving said South line, N 00°21'07" E a distance of 369.70 feet to the True Point of Beginning.

The above-described tract contains 3.42 acres more or less.

EXCEPTIONS TO TITLE

SUBJECT TO: [permitted exceptions will be determined in accordance with the process identified in Article 4 of the Agreement and inserted in the final deed].

EXHIBIT C.

OMITTED

EXHIBIT D.

**DEED FOR EASEMENT FOR PUBLIC PARK-AND-RIDE AND RELATED
PURPOSES**

[INSERT EASEMENT]

When recorded return to:

King County Real Estate Services
401 5th Avenue, Suite 930
Seattle, WA 98104

Grantor-- King County Housing Authority

Grantee-- King County, Washington

Abbreviated Legal:

Additional Legal: See Exhibit A, attached

Tax Acct -

Related Accounts: --

**EASEMENT FOR PUBLIC COMMUTER PARKING AND MEMORANDUM OF
AGREEMENT TO OPERATE AND MAINTAIN COMMUTER PARKING FACILITIES**

A. RECITALS

1. King County Housing Authority (“KCHA”), a public body corporate and politic, organized under RCW ch. 35.82 and other authorities, acquired certain real property situated in King County, Washington, identified as Tax Parcel Number #8944420020, sometimes known as the Village at Overlake Station (“KCHA Property” or “Village at Overlake Station”), from King County, a home rule charter county and political subdivision acting by and through its Metro Transit Department (the “County”). The County operates a bus loop and commuter loading area on certain real property situated in King County, Washington, identified as Tax Parcel Number #8944420010 (the “County Property”)
2. KCHA and the County are sometimes referred to herein collectively as the “Parties” and individually as a “Party.”
3. As partial consideration for the County’s conveyance of fee title to the KCHA Property, KCHA agreed to grant the County a perpetual easement for public commuter parking and related purposes over the KCHA Property legally described in Exhibit A, and to operate and maintain certain public commuter parking facilities thereon as KCHA’s sole cost and expense.

4. KCHA is willing to grant the County an easement for public commuter parking and related purposes as set forth herein on, over, through, and under the KCHA Property, and to operate and maintain public commuter parking facilities at KCHA's sole cost and expense, subject to the terms and conditions set forth in this easement (the "Easement" or "Agreement"); and the County is willing to accept the same.

B. GRANT OF EASEMENT

1. NOW, THEREFORE, subject to the terms and conditions set forth in this Easement, and in furtherance of that certain Purchase and Sale Agreement authorized by King County Ordinance No. _____, KCHA hereby grants to the County, its successors and assigns, a perpetual, nonexclusive easement for public commuter parking purposes and all appurtenant uses, on, over, through, under, along, and across the KCHA Property legally described in Exhibit A as described herein.
2. This Easement is appurtenant to and for benefit of the real property, property interests, and related improvements that make up the County's public transportation system.
3. This Easement is intended to be a floating easement with no permanent, fixed location on the KCHA Property; and from time to time the parking facilities required to be provided, operated, and maintained by in furtherance of this Easement may be reconfigured, relocated upon the KCHA Property, and reconstructed or revised by KCHA in its reasonable discretion, subject to the requirements set forth in this Easement, and subject also to the County's review and approval, which approval shall not be unreasonably conditioned, delayed, or withheld, all as more particularly described in the Operations Agreement as hereinafter defined.
4. The Parties acknowledge that the County owns and maintains certain real and personal property located on the County Property, including but not limited to the landscaping, metal sculptures, sidewalk and certain commuter-related improvements which are collectively referred to as the "Additional Transit Facilities." The Additional Transit Facilities specifically include the sloped metal roof attached to the KCHA Property, the stairs from the passenger loading area into the existing garage, and the related transit-related facilities on, in and above the County Property (including uplighting, benches, signage and fencing). The KCHA Property also includes a bus driver comfort station/restroom ("Comfort Station") located within the existing garage which is dedicated for the sole use by County bus drivers and staff and is maintained solely by the County. For purposes of this Agreement, the Comfort Station shall be deemed to be part of the Additional Transit Facilities.
5. Without limiting Section B.3 of this Easement, the Parties agree that the parking garage and commuter-related parking areas and facilities existing upon the KCHA Property as of the recording date of this Easement and illustrated in Exhibit B attached hereto currently satisfy all commuter parking-related requirements of this Easement and the Operations and Maintenance Agreement for Commuter Parking Facilities at the Village at Overlake

Station, which agreement is referenced in Exhibit C to this Easement (the “Operations Agreement”). KCHA is not obligated to remodel, revise, or otherwise alter the existing commuter parking facilities on the KCHA Property except (1) as KCHA may elect, subject to the terms of this Agreement; or (2) to comply with the facility condition requirements set forth in the Operations Agreement, if the condition of the existing commuter parking facilities should fail to meet the standards set forth in this Easement over time. Provided, that nothing in this Section B.4 shall operate or be construed to relieve KCHA of its commuter parking-related obligations and duties set forth in the Operations Agreement.

6. This Easement is granted and accepted upon and subject to the Parties’ acceptance and continuing compliance with the following terms and conditions:

C. TERMS AND CONDITIONS

1. General Limitations on Grant of Easement; Relinquishment and Extinguishment; Operations and Maintenance Obligations.

- 1.1. Non-exclusivity. This is a non-exclusive easement. KCHA reserves all rights to use and to regulate the KCHA Property for all lawful purposes of KCHA that do not conflict with the rights granted to the County under this Easement, and further reserves all rights to authorize other third-party uses of the KCHA Property to the extent that such third-party uses do not conflict with the rights granted to the County under this Easement.
- 1.2. KCHA to Comply with Applicable Laws and Regulations. As between the Parties, KCHA shall be solely responsible to obtain and comply with any and all needed permits, approvals, terms and conditions that may be required by any agency with jurisdiction and to pay all fees and costs associated with any work, design, construction, operation and maintenance, or repair undertaken by KCHA in connection with its obligations under this Easement, including but not limited to any permits or other authorizations that may be required by King County or the State of Washington. KCHA’s grant of use rights to the County under this Easement does not relieve KCHA of its duty to comply with all applicable laws and regulations concerning the activities and improvements contemplated in this Easement, and this Easement shall not be interpreted or construed to authorize KCHA to undertake any of those activities or improvements.
- 1.3. County’s Right to Relinquish Easement. The County may relinquish this Easement at any time by executing a notice of relinquishment releasing all interest in this Easement, recording the notice in the real property records of King County, and mailing a copy of the recorded notice to KCHA at the addresses specified in Article 10. PROVIDED, that relinquishment shall not relieve the County of any duty arising under or relating to this Easement on or before the recording date of the relinquishment notice.
- 1.4. KCHA’s Obligation to Provide Commuter Parking Facilities.

- 1.4.1 KCHA shall provide and set aside a minimum of one hundred fifty (150) parking stalls (collectively, the “Designated Stalls”) for exclusive use by members of the general public who do not reside on the KCHA Property and who utilize public transit for a portion of the commute during the hours of 5:00 a.m. to 1:00 p.m. each weekday that is not a legal holiday. Any additional parking stalls on the lower level of the existing garage, as well as the Designated Stalls outside of the Designated Stalls’ exclusive use period, shall be available for shared use by off-site park & ride commuters and Village at Overlake Station residents, visitors and guests on a first come, first served basis, all as provided in the Operations Agreement. No Commuter Parking Facilities are currently located outside of the lower level of the existing garage nor on the upper level of the existing garage.
- 1.4.2 The Parties shall mutually agree on the designation and signage of the Designated Stalls, which shall be clearly differentiated from the remainder of any other parking spaces on the KCHA Property. All of the Designated Stalls shall be located together in close proximity to each other. The location, configuration, lighting, graphics, signage, and other characteristics (including locations of exits and entrances) of the Commuter Parking Stalls shall not be materially altered from their agreed condition without the County’s prior written consent, which consent shall not be unreasonably conditioned, delayed, or withheld. Notwithstanding anything to the contrary contained in this Agreement, any reduction in the number of Designated Stalls may require the review and prior written consent of the Federal Transit Administration (“FTA”) which review shall be coordinated by the County.
- 1.4.3 KCHA shall not do or permit anything to be done in, on, or around the Commuter Parking Facilities that would in any way materially obstruct or interfere with the rights of members of the general public to utilize the Commuter Parking Facilities or to enter or exit the KCHA Property in order to use the Designated Stalls under this Easement. KCHA shall not allow the Designated Stalls to be used for any purpose other than the commuter parking purposes contemplated under this Easement; provided, that vacant parking stalls in the Designated Stalls may be used by residents of the KCHA Property after 1:00 p.m. and prior to 5:00 a.m. each weekday, on legal holidays, and during the weekends.
- 1.4.4 The Parties shall cooperate to minimize the impacts of transit operations in and around the County Property, such as noise and air pollution from buses that may adversely affect housing residents’ peaceful enjoyment of the KCHA Property.
- 1.5 Operations and Maintenance Obligations. KCHA shall at all times operate and maintain the Commuter Parking Facilities in a state of good repair as provided in the Operations Agreement. The County shall at all times operate and maintain the County Property, including the Additional Parking Facilities, in a state of good repair as provided in the Operations Agreement. The Parties may update or revise the Operations Agreement from time to time by mutual negotiation of their Designated Representatives as set forth more

fully therein.

- 1.6 Right to Inspect for State of Good Repair. The County shall have the right to inspect the Commuter Parking Facilities, and KCHA shall have the right to inspect the Additional Transit Facilities, including the Comfort Station, to confirm they are being maintained in a state of good repair and consistent with the Operations Agreement. Each Party may perform such inspection during regular working hours on business days, with or without notice to the other. For purposes of this Section 1.6, “working hours” are 8am to 6pm and “business days” are any day of the week that is not a Saturday, Sunday, or a state or federal holiday.

2. Federal Transit Administration Obligations.

- 2.1 Duty to Comply with FTA Obligations. The County shall retain all obligations for the Commuter Parking Facilities under FTA Grant Agreements, identified as Nos. WA-03-0016 and WA-03-0030, and any other FTA financial assistance award creating a federal interest in the Commuter Parking Facilities, including its attachments, amendments, and accompanying federal obligations. From and after the recording date of this Easement, the County shall continue to retain all statutory, regulatory and contractual obligations, as authoritatively interpreted and implemented by FTA, pertaining to the Commuter Parking Facilities, that arise from the use of FTA or Urban Mass Transit Administration financial assistance, including but not limited to compliance with federal statutes, regulations and guidelines on continuing control, management or disposition of a federally funded asset.
- 2.2 KCHA Duty to Cooperate with FTA Obligations. KCHA shall cooperate in good faith with the County to satisfy any and all FTA obligations arising out of or relating to the Commuter Parking Facilities. Provided, that nothing in this Section 2.2 shall prohibit KCHA from challenging, in good faith, FTA’s interpretation or implementation of any federal statute, rule, or policy, through appropriate administrative or legal processes.

3. INDEMNITY.

- 3.1 Each Party shall indemnify, defend, and save harmless the other Party and its officers, agents, employees, successors, and assigns, from and against any and all liability, including any and all suits, claims, actions, administrative proceedings, losses, costs, penalties, response costs, attorneys’ fees, expert witness fees, injuries, or damages of whatsoever kind or nature (collectively, “claims”), arising out of or relating to: (i) the indemnifying Party’s performance of, or failure to perform, its duties and obligations under this Easement; and (ii) the indemnifying Party’s negligent or intentional acts or omissions in connection with this Easement, or its property. An indemnifying Party’s obligations under this Section C.3.1 includes the duty to promptly accept tender of defense and to provide defense to the indemnified Party at its own expense for any claim covered by this Section C.3.1.

- 3.2 The indemnification in Section C.3.1 is specifically and expressly intended to include, but is not limited to, all claims against the indemnified Party by the indemnifying Party's respective employees, former employees, consultants, contractors, or subcontractors; and the indemnifying Party expressly waives, as respect the indemnified Party only, all immunity and limitation on liability under any industrial insurance act including Title 51 RCW, to the extent necessary to provide the other Party with a complete indemnity for the actions of the indemnifying Party's officers, agents, employees, consultants, contractors, subcontractors or any of their respective officers, agents or employees. This indemnification has been the subject of specific negotiation between the Parties.
- 3.3 In the event it is determined that R.C.W. 4.24.115 applies to this Easement or activities contemplated herein, the indemnifying Party agrees to defend, hold harmless, and indemnify the indemnified Party to the maximum extent permitted thereunder, and specifically for its negligence concurrent with that of the indemnified Party to the full extent of the indemnifying Party's negligence.
- 3.4 If the indemnified Party incurs attorneys' fees, legal expenses, or other costs to enforce the provisions of this Article C.3 and is successful in enforcing the provisions of this Article C.3, then all such fees, expenses, and costs shall be recoverable from the indemnifying Party.

4. CONDITION OF PROPERTY; ENVIRONMENTAL MATTERS.

- 4.1 The County understands, acknowledges, and agrees that KCHA has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts, or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the KCHA Property and the Commuter Parking Facilities, including without limitation all matters pertaining to Hazardous Material as defined in Section C.4.2. By executing this Easement, the County agrees that it is relying solely on its own investigation of the Commuter Parking Facilities and not on any information provided by KCHA. The County further acknowledges and agrees that any information provided or to be provided by KCHA with respect to the KCHA Property and the Commuter Parking Facilities was obtained from a variety of sources and that KCHA has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. The County further acknowledges and agrees that KCHA is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the KCHA Property and the Commuter Parking Facilities, or the operation thereof, furnished by any real estate broker, agent, employee, servant, or other person, and, to the maximum extent permitted by law, the use of the KCHA Property and the Commuter Parking Facilities as provided for herein is made on an "AS IS, WHERE IS" condition and basis with all faults, without any obligation on the part of KCHA to make any changes, improvements, or to incur any expenses whatsoever for the maintenance or repair of the KCHA Property and the Commuter Parking Facilities.

- 4.2 For purposes of this Easement, the term “Environmental Law” shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. (“CERCLA”); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. (“RCRA”); the Washington State Model Toxics Control Act, RCW ch. 70A.305 (“MTCA”); the Washington Hazardous Waste Management Act, RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Easement, the term “Hazardous Material” shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.
- 4.3 At its own cost and expense, each Party shall comply with any existing or hereafter enacted Environmental Law that affects such Party’s activities in, on, or in connection with its property. Each Party shall be solely responsible to obtain all required permits and approvals before commencing any work in or on its property and to make all necessary submissions to appropriate agencies charged with enforcing Environmental Law that may affect its use of or activities in, on, or in connection with its property.
- 4.4 In addition to all other indemnities provided in this Easement, each Party shall defend, indemnify, and hold the other Party harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation all investigation, cleanup, or other remedial costs (and including attorneys’ fees, costs, and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation) arising from either (i) the placement, release, or use by the indemnifying Party (or its respective officers, agents, contractors, or subcontractors of any Hazardous Material on such Party’s property; or (ii) the migration of any such Hazardous Material placed, released, or used by the indemnifying Party (or its officers, agents, contractors, or subcontractors) from such Party’s property.
- 4.5 The provisions of this Article C.4 are in addition to, and not in place of such Party’s indemnity duties under Article C.2 and Article C.3.

5. INSURANCE.

- 5.1 During the term of this Easement, KCHA shall maintain commercially reasonable insurance to protect its interests and the County’s interests to the extent they may be affected by this Easement and the activities and uses contemplated herein. This insurance requirement may be met through a program of self-insurance or participation in a risk-sharing pool. KCHA shall provide written proof of commercially reasonable insurance upon demand of the County. King County reserves the right to review such insurance

policies for adequacy with reference to insurance for similarly-situated properties and structures in the vicinity of the KCHA Property.

5.2 The insurance-related obligations contained in this Article C.5 shall survive the expiration, assignment, transfer, abandonment or termination of this Easement and the easement rights and restrictive covenants granted hereunder.

5.3 Failure to maintain the insurance required under this Article C.5 shall constitute a material default by KCHA under this Easement.

6. DISPUTE RESOLUTION.

6.1 The dispute resolution procedure set forth in the Operations Agreement is incorporated by this reference and applicable to this Easement as if fully set forth herein.

6.2 Section 6.1 notwithstanding, the following provisions of this Easement are not subject to dispute resolution under this Article C.6:

- A. Section C.1.3, regarding relinquishment;
- C. Article C.3 regarding indemnity;
- D. Article C.4 regarding environmental matters;
- E. Article C.5 regarding insurance;
- F. Section C.8.3 regarding liens; and
- G. Section C.8.4 regarding nondiscrimination.

7. NOTICE

7.1 Any and all notices or other communications required or permitted to be given under any of the provisions of this Easement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier, or two (2) days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. The Parties may also agree to give and receive notice by email or other electronic means; provided that if a Party disputes delivery or receipt of an electronic notice then that Party shall bear the burden of proving that the notice was not delivered or received.

7.2 All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as the Parties may specify by notice and given as provided herein:

If to the COUNTY:

King County Metro,
Attn: Real Estate
201 South Jackson Street, KSC-TR-0431
Seattle, Washington 98104-3856

With a copy to: Manager, Real Estate Services
401 5th Avenue, Suite 930
Seattle, WA 98104

If to KCHA: CEO and President
King County Housing Authority
600 Andover Park West
Tukwila, Washington 98188

With copies to: SVP of Asset Management and SVP of Development and Asset
Management

8. OTHER TERMS AND CONDITIONS.

- 8.1 Except with respect to an assignment or transfer wherein KCHA retains fee ownership interest in the KCHA Property, KCHA may not assign or transfer this Easement or any interest or rights therein, nor delegate its duties under this Easement or the Operations Agreement, nor shall this Easement or any interest thereunder be assignable, delegable or transferable by operation of law, or by any process or proceeding of any court or otherwise without obtaining the prior written consent of the County, which consent shall not be unreasonably withheld. If the County gives its consent to any assignment, delegation, or other transfer, this Section C.8.1 shall nevertheless continue in full force and effect, and no further assignment, delegation, or other transfer shall be made without the County's consent. No assignment or transfer shall release KCHA of its obligations under this Easement.
- 8.2 KCHA shall pay all applicable taxes on this Easement or the Commuter Parking Facilities as they become due and payable; and KCHA shall pay all fees, charges, or expenses for licenses, permits, or any other authorizations required for or occasioned by KCHA's use of the Commuter Parking Facilities.
- 8.3 KCHA acknowledges that the County may not, and shall not, be subject to claims or liens for labor or materials. KCHA shall keep the Commuter Parking Facilities and any other property of the County free of any liens for any providers of work, labor, material or services claiming by, through or under KCHA. KCHA shall indemnify, defend and hold the County harmless from and against any such claims or liens, and the County's attorney's fees and costs incurred in connection therewith. If such a lien is filed, it shall be discharged of record by KCHA within ten (10) days after notice of filing by bonding, payment or other arrangement satisfactory to the County. Failure to comply with this Section C.8.3 shall be a material breach of this Easement.
- 8.4 In the performance of their respective obligations under this Agreement, the County and KCHA shall not discriminate on the basis of sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression, status as a family caregiver, military status or status as a veteran who was honorably

discharged or who was discharged solely as a result of the person's sexual orientation or gender identity or expression, or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Chapter 12.16, as now codified and as hereafter amended. The County and KCHA shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, King County Charter Section 840, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Easement.

- 8.5 If any provision of this Easement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable unless striking such provision materially alters the intention of the Parties. If a court finds that any provision of this Easement is invalid or unenforceable, but that by limiting such provisions it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
- 8.6 The failure of either Party to enforce any provision of this Easement shall not be construed as a waiver or limitation of that Party's right subsequently to enforce and compel strict compliance with every provision of this Easement.
- 8.7 To the extent consistent with its terms, the right, conditions, and provisions of this Easement shall inure to the benefit of and binding upon the heirs, executors, administrators, and successors and assigns of the Parties.
- 8.8 No provision of this Easement shall preclude either party from pursuing any other remedies, in law or equity, for the counterparty's failure to perform its obligations.
- 8.9 The following provisions of this Easement shall survive the relinquishment, extinguishment, termination, or expiration of this Easement for any event occurring prior to or on the date of such relinquishment, extinguishment, termination, or expiration: Article C.3, regarding indemnity; Article C.4, regarding environmental matters; Article C.5, regarding insurance; and Section C.8.13, regarding choice of law, jurisdiction and venue, and legal costs.
- 8.10 The captions in this Easement are for convenience only and do not in any way limit or amplify the provisions of the Easement. Words of any gender used in this Easement shall include any other gender, and words in the singular number shall include the plural, and vice versa, unless the context requires otherwise.
- 8.11 This Easement (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Easement and signed by all Parties hereto. All other agreements between the Parties regarding the subject

matter of this Easement, whether oral or written, or express or implied, are hereby terminated and no longer applicable from and after the date this Easement is executed by the County.

- 8.12 The Parties to this Easement execute and implement this Easement solely as grantor and grantee of an easement. No partnership, joint venture, or joint undertaking of the Parties shall be construed from this Easement. This Easement creates no right, privilege, obligation, duty, or cause of action in any person or entity not a party to it. Nothing in this Easement shall be interpreted or applied to limit the police or governmental powers of King County or the King County Housing Authority.
- 8.13 This Easement and all amendments thereof shall be governed by and construed in accordance with the laws of the State of Washington, without giving effect to its conflicts of law or choice of law provisions. The Superior Court of King County, Washington shall have the exclusive jurisdiction and venue of any litigation arising out of or relating to this Easement. Except as otherwise provided by the express terms of this Easement, if the Parties litigate any controversy, claim, or dispute arising out of or relating to this Easement, then each Party shall be solely responsible for the payment of its own legal expenses, including but not limited to, attorney's fees and costs.
- 8.14 This Easement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties, and the language in all parts of this Easement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. Both Parties acknowledge and represent, as an express term of this Easement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Easement.
- 8.15 The following exhibits to this Easement are incorporated by this reference as if fully set forth herein:
- Exhibit A – Legal Description of the KCHA Property
 - Exhibit B – Illustration of Existing Parking Garage (omitted for recording purposes)
 - Exhibit C – Memorandum of Operations and Maintenance Agreement for Commuter Facilities at the Village at Overlake Station

EXECUTED by King County Housing Authority and ACCEPTED by King County effective as of the dates set forth below.

King County Housing Authority
Name/Title: _____

King County
Name/Title: _____

APPROVED FOR FORM:

Deputy Prosecuting Attorney

Notary Blocks appear on following page

On this day personally appeared before me _____, to me known to be the _____ of **KING COUNTY**, the _____ that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of **KING COUNTY**, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument.

[illegible]

Notary Public
Print Name _____
My commission expires _____

On this day personally appeared before me _____, to me known to be the _____ of **THE KING COUNTY HOUSING AUTHORITY**, the _____ that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of **THE KING COUNTY HOUSING AUTHORITY**, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument.

--

Notary Public
Print Name _____
My commission expires _____

EXHIBIT A

LEGAL DESCRIPTION OF THE KCHA PROPERTY

A tract of land being a portion of Lot 2, City of Redmond Short Plat No. SS 79-18, as recorded under King County Recording No. 7908270637, in King County, Washington, situated in the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 23, Township 25 N, Range 5 E, W.M. in King County, WA.

Commencing at the Northwest Corner of said Lot 2; thence along the North line of said Lot 2, S 89°35'54" E a distance of 377.77 feet to the TRUE POINT OF BEGINNING of the herein described tract; thence S 89°35'54" E a distance of 407.21 feet to the Northeast Corner of said Lot 2; thence S 01°08'46" W a distance of 366.85 feet to the Southeast Corner of said Lot 2; thence along the South line of said Lot 2, S 89°59'30" W a distance of 402.13 feet; thence leaving said South line, N 00°21'07" E a distance of 369.70 feet to the True Point of Beginning.

The above-described tract contains 3.42 acres more or less.

EXHIBIT B

**ILLUSTRATION OF EXISTING PARKING GARAGE AND COMMUTER PARKING
FACILITIES**

(Omitted for recording purposes; copies on file with the Parties)

EXHIBIT C

**MEMORANDUM OF OPERATIONS AND MAINTENANCE AGREEMENT FOR
COMMUTER FACILITIES AT THE VILLAGE AT OVERLAKE STATION**

Memorandum of Operations and Maintenance Agreement for Commuter Facilities at the Village at Overlake Station

1. On _____, 202__, King County (“County”) and the King County Housing Authority (“KCHA”) executed an Operations and Maintenance Agreement for Commuter Facilities ("Operations Agreement") relating to certain commuter facilities (the “Commuter Facilities”) at County-owned and KCHA-owned properties located in Redmond, Washington, in connection with KCHA’s grant to the County of the easement (the “Easement”) to which this Memorandum is attached which Easement will be recorded against the KCHA Property, legally described in Exhibit A hereto.
2. The purpose of the Operations Agreement is to supplement the Easement by setting forth, in greater detail, the administrative processes and means by which the parties will exercise their respective rights and obligations with respect to operation and maintenance of the Commuter Facilities over time.
3. The Operations Agreement shall be in effect as of its execution and shall remain in effect throughout the duration of the Easement, subject to amendment by the mutual agreement of the Parties as set forth more fully in the Operations Agreement.
4. Copies of the executed Operations Agreement are on file with King County and KCHA at the following addresses:

King County:

Director's Office Capital Division King County Metro Transit Department 201 S. Jackson St. Seattle, WA 98104	KCHA: CEO and President King County Housing Authority 600 Andover Park West Tukwila, Washington 98188
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KCHA:

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TEXT OF MEMORANDUM CONTINUES ON NEXT PAGE

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5. This memorandum is solely for the purpose of giving constructive notice of the Operations Agreement. In the event of a conflict between the terms of the Operations Agreement and this memorandum, the terms of the Operations Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have respectively executed this memorandum effective as of the date of the last party to sign.

KING COUNTY, a political subdivision of the State of Washington By _____ Name _____ Its _____	KING COUNTY HOUSING AUTHORITY, a Washington public body, municipal and corporate By _____ Name _____ Its _____
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EXHIBIT E

**OPERATIONS AND MAINTENANCE AGREEMENT FOR KCHA COMMUTER
PARKING FACILITIES AT OVERLAKE VILLAGE**

[Insert copy of O&M Agreement]

OPERATIONS AND MAINTENANCE AGREEMENT FOR COMMUTER FACILITIES AT THE VILLAGE AT OVERLAKE STATION

1. Background; Revisions.

- 1.1 This Operations and Maintenance Agreement (the “Operations Agreement”) is executed by and between King County Housing Authority (“KCHA”), a public body corporate and politic, and King County, a home-rule charter county and political subdivision of the State of Washington, by and through its Metro Transit Department (“County”), effective as of the date last signed below. KCHA and the County are sometimes referred to herein individually as a “Party” and together as the “Parties.”
- 1.2 The purpose of this Operations Agreement is to establish a common understanding between KCHA and the County regarding obligations to operate and maintain certain commuter parking facilities at the Village at Overlake Station Transit-Oriented Development, located at 2580 152nd Ave NE, Redmond, WA 98052, Assessor’s Parcel 8944420020 (the “KCHA Property” or “Village at Overlake Station”) and the adjoining bus loop and commuter loading area located at 2576 152nd Ave NE, Redmond, WA 98052, Assessor’s Parcel 8944420010 (the “County Property”).
- 1.3 The Village at Overlake Station is owned by KCHA and subject to a recorded easement (the “Easement”) in favor of the County for not less than 150 commuter parking stalls to be made available as further described in this Operations Agreement. Among other things, the Easement requires KCHA to operate and maintain a minimum of 150 commuter parking stalls on the KCHA Property in perpetuity, at KCHA’s sole cost and expense. A memorandum of this Operations Agreement was recorded as Exhibit C to the Easement.
- 1.4 The Easement is a “floating” easement burdening the entire KCHA Property, without a specific legal description or metes and bounds location, such that over time KCHA may relocate or revise the location of the 150 commuter parking stalls on the KCHA Property, as all set forth in more detail in the Easement. At the present time, the 150 commuter parking stalls are located on the ground floor in an existing garage built on the KCHA Property and owned, operated, and maintained by KCHA. The existing parking stall layout is illustrated in Exhibit 1 to this Operations Agreement. Those parking stalls, together with all of the other commuter parking-related improvements and betterments, including but not limited to related drive lanes, ingress and egress, lighting, and other systems located on the KCHA Property, constitute the “Commuter Parking Facilities.”

The County Property consists of the real and personal property located thereon including but not limited to the landscaping, metal sculptures, sidewalk and certain commuter-related improvements which are collectively referred to as the “Additional Transit Facilities.” The Additional Transit Facilities specifically include the sloped metal roof attached to the KCHA Property, the stairs from the passenger loading area into the existing garage, and the related transit-related facilities on, in and above the County Property (including uplighting, benches, signage and fencing). The KCHA Property

includes a bus driver comfort station/restroom (“Comfort Station”) located within the garage which is dedicated for the sole use by County bus drivers and staff and is maintained solely by the County. For purposes of this Agreement, the Comfort Station shall be deemed to be part of the Additional Transit Facilities. The Commuter Parking Facilities and the County Property are the subject of this Operations Agreement. The Parties intend to maintain the Commuter Parking Facilities and the County Property in a first-class order, condition and repair that continues the viability of those facilities for their intended purposes.

- 1.5 This Operations Agreement outlines KCHA’s primary operations and maintenance obligations with respect to the Commuter Parking Facilities currently located on the lower level in KCHA’s existing garage on the KCHA Property and the County’s primary operations and maintenance obligations with respect to the County Property. No Commuter Parking Facilities are currently located outside of the lower level of the existing garage nor on the upper level of the existing garage. If, in the future, KCHA elects to relocate the Commuter Parking Facilities, whether within the existing garage or to a new location on the Property, then the Parties will negotiate to revise and update this Operations Agreement if and to the extent needed, to reflect such new arrangement and any additional or revised operations and maintenance requirements as may be required to maintain those relocated or revised Commuter Parking Facilities in a state of good repair.
- 1.6 The Parties may also negotiate to update or revise this Operations Agreement from time to time in response to other business considerations, to reflect changes in commuter parking needs or demands, or to address changes in the Federal standards or transit industry practices that establish what constitutes a state of good repair.
- 1.7 Any revisions, amendments, or updates to this Operations Agreement, whether in furtherance of Section 1.5, or Section 1.6, or otherwise, shall be made in writing by mutual agreement of the Parties, and on no other basis. If the Parties are unable to reach agreement on a proposed revision, then the dispute resolution process set forth in Section 6 shall apply.

2. Commuter Parking Facilities; Enforcement of Parking Restrictions; Safety and Security; Signage.

- 2.1 As described in Section 1.3 and illustrated in Exhibit 1, the Commuter Parking Facilities include one hundred and fifty (150) parking stalls on the lower level of the existing parking structure, together with the drive lanes, ingress and egress, lighting, and other systems necessary to support the safe and reasonable use of those parking stalls for commuter parking purposes. These 150 parking stalls shall be available for the exclusive use of off-site park & ride commuters, and no other users, for an eight (8) hour period beginning at 5:00 a.m. and ending at 1:00 p.m. on Monday through Friday where such weekday is not a legal holiday (the “Designated Stalls”). These 150 Designated Stalls shall be marked to indicate such usage and restrictions. The remaining one hundred (100) stalls in the lower level of the existing garage, as well as the Designated Stalls outside of the Designated Stall’s exclusive use period, shall be available for shared use by off-site

park & ride commuters and by Village at Overlake Station residents, visitors and their guests on a first-come, first-served basis.

- 2.2 KCHA shall reasonably ensure that all parking stalls are being appropriately used. KCHA will accomplish this with use of warning signs, patrol, and observation, or other means necessary to monitor parking compliance. Unauthorized vehicles parked in the Designated Stalls within the restricted hours shall be subject to impoundment by KCHA. A maximum of two ticketed warnings shall be allowed before impoundment. If KCHA fails to impound improperly parked vehicles, then the County may have such vehicles impounded at the vehicle owner's expense. KCHA shall hold harmless, indemnify, and defend the County against and all complaints, lawsuits, claims, damages, costs, and expenses, arising out of or relating to towing of vehicles from the Property, including but not limited to towing of vehicles from the Commuter Parking Facilities.
- 2.3 As between the Parties, KCHA shall be solely responsible for safety and security on the KCHA Property, including in connection with the Commuter Parking Facilities and the County shall be solely responsible for safety and security at the County Property. Each Party shall take all reasonable steps to ensure the safety and security of off-site park & ride commuters and other garage users and vehicles in or on their respective sites. Each Party shall immediately investigate and report to the Redmond Police any and all major incidents concerning the personal security and safety of transit customers on their respective sites, and shall notify the King County Chief of Transit Police of any major incident within 24 hours. Major incidents include, but are not limited to, the following:
 1. Homicide
 2. Rape
 3. Arson
 4. Assault and/or Battery
 5. Robbery
 6. Major Vandalism
 7. Bomb threats
 8. Auto theft
 9. Hate crime offenses
 10. Any other serious injury
- 2.4 The Parties acknowledge that the Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and regulations and guidelines promulgated thereunder, as all of the same may be amended and supplemented from time to time (collectively referred to herein as the "ADA") establish requirements under Title III of the ADA ("Title III") pertaining to business operations, accessibility and barrier removal, and that such requirements may be unclear and may or may not apply to the Commuter Parking Facilities and the County Property depending on, among other things: (1) whether each is deemed a "place of public

accommodation" or a "commercial facility," (2) whether compliance with such requirements is "readily achievable" or "technically infeasible," and (3) whether a given alteration affects a "primary function area" or triggers so-called "path of travel" requirements. The Parties acknowledge and agree that each Party shall be individually and solely responsible for ensuring ADA compliance as it relates to their separate property.

- 2.5 Each Party agrees to immediately notify the other Party of any material hazardous substance spills that occur or are detected on its site. The Parties shall establish points of contact available 24 hours a day, 7 days a week for communications regarding hazardous substance spills. As between the Parties, 1) KCHA shall be obligated to respond to, and to clean up, all hazardous substance spills on or at the Commuter Parking Facilities, including any such spills arising out of or relating to off-site commuter use of the Commuter Parking Facilities for park-and-ride purposes or other related uses; and 2) the County shall be obligated to respond to, and to clean up, all hazardous substance spills on or at the County Property. The duties under this Section 2.5 are in addition to, and do not reduce or alter, a Party's duties under separate easements agreed to between the Parties.
- 2.6 As between the Parties, i) KCHA shall maintain all exterior and interior signage relating to the Commuter Parking Facilities, and shall be responsible to manufacture and replace any related lost, stolen, removed, or damaged signs, and ii) the County shall maintain all signage relating to the County Property, and shall be responsible to manufacture and replace any related lost, stolen, removed, or damaged signs. KCHA may request that the County manufacture any replacement signs and the Parties may separately contract for the County to do so at KCHA's sole cost and expense, at the County's then-applicable "fully loaded" rate for labor and materials.
- 2.7 KCHA shall maintain the existing monument sign and related ornamental landscaping located at the 152nd NE street entrance to the Village at Overlake Station. KCHA may place directional and promotional signage as necessary within the County Property, subject to negotiation by the Parties and provided that installation and placement of such signage does not interfere with the County's transit operations. If KCHA fails to maintain any signage or ornamental landscaping addressed under this Section 2.7, then the County shall provide KCHA with notice of such deficiency and an opportunity to cure. If KCHA fails to timely cure or to commence to cure such deficiency, then the County may cure the deficiency and charge KCHA for all necessary costs at the County's then-applicable "fully loaded" rate for labor and materials; and upon receipt of the County's invoice for such costs KCHA shall promptly pay the same.

3. KCHA's General Operations and Maintenance Obligations.

- 3.1 As between the Parties, KCHA is solely responsible for the management, operations, maintenance, and repair of the Commuter Parking Facilities, except as specifically set forth in this Operations Agreement. As between the Parties, all costs and expenses associated with the Commuter Parking Facilities or any replacement or relocated facilities shall be borne by KCHA.

- 3.2 KCHA shall supervise the daily operation of the Commuter Parking Facilities. These obligations include, but are not limited to:
- A. Enforcement of rules regarding park & ride and residential parking stall use, consistent with Section 2 of this Operations Agreement and the Easement;
 - B. Enforcement of ADA stall use;
 - C. Removal of blocking vehicles;
 - D. Removal of abandoned vehicles;
 - E. Monitoring the garage for persons who have no legitimate purpose in the facility;
 - F. Responding to personal injuries and property damage reported or observed in the parking garage; and
 - G. Maintaining the Commuter Parking Facilities in a state of good repair, including but not limited to the duties and tasks set forth in this Operations Agreement.
- 3.3 KCHA shall regulate and monitor parking for the entire Property. If requested by the County, KCHA will prepare a parking utilization report (but not more often than once every six months) and provide it to the County. The data and information to be collected by KCHA should include but not be limited to: Actual parking demand for tenant vehicles and off-site park and ride vehicles; reported violations; towing activities; safety incidents; maintenance issues; etc.
- 3.4 Without limiting KCHA's duties under any of the foregoing subsections of this Section 3, the County shall have the right to inspect and monitor the Commuter Parking Facilities for the County's own purposes, including but not limited to: Assess KCHA's performance under this Operations Agreement; monitor park & ride commuter use of the Commuter Parking Facilities; and to evaluate the Commuter Parking Facilities for compliance with state of good repair requirements. The County may inspect the Commuter Parking Facilities with or without notice to KCHA; provided, that except in the event of an emergency, the County shall not inspect the Commuter Parking Facilities on any legal holiday. In the event of an emergency the County may inspect the Commuter Parking Facilities at any time in the County's sole discretion, provided that the County shall notify KCHA of such emergency inspection at the County's earliest opportunity.
4. **Maintenance Schedule and Tasks.**
- 4.1 As between the Parties, and without limiting the other provisions of this Operations Agreement, KCHA shall adopt and continue in effect at all times a maintenance, repair and replacement schedule for the Commuter Parking Facilities that will meet all applicable standards, rules, regulations, and underwriting requirements, which schedule shall be at least as prescriptive as Schedule 1 attached hereto. If the County becomes aware of a condition involving damage to the parking structure or the other Commuter Parking Facilities, or if a concern arises regarding safety of off-site park & ride commuters with regard to the parking structure or the other Commuter Parking Facilities, and which reasonably requires repair, then the County will notify KCHA of such

condition and request a repair. If, within ten (10) business days of such notice, KCHA fails to respond or effect such repairs or maintenance as will correct the condition and then continues to fail to respond or effect such repairs or maintenance within ten (10) business days after a second such notice, then the County will have the right to implement such repairs and obtain reimbursement from KCHA for all costs and expenses of the same.

- 4.2 The Parties' Designated Representatives may revise or update Schedule 1 or 2 from time to time in writing by mutual agreement. If the Parties are unable to agree on proposed revisions or updates to Schedule 1 or 2 in the ordinary course of business, then they shall engage in the dispute resolution process under Section 6.9 of this Operations Agreement.

5. County's Operations and Maintenance Obligations.

As between the Parties, the County is solely responsible for the management, operations, maintenance, and repair of the County Property, including the Additional Transit Facilities, in a first class order, condition and repair that continues its viability for its intended purpose, except as specifically set forth in this Operations Agreement. As between the Parties, all costs and expenses associated with the County Property, or any replacement facilities, shall be borne by the County. Without limiting the other provisions of this Operations Agreement, the County shall continue in effect at all times a maintenance, repair and replacement schedule for the County Property that shall be at least as prescriptive as Schedule 2 attached hereto. If a condition involving the maintenance or operation of the Overlake Transit Center or Additional Transit Facilities arises which reasonably requires repair or maintenance, KCHA will provide the County notice of such condition and a request for repair or maintenance. If, within ten (10) business days of such notice, the County fails to respond or effect such repairs or maintenance as will correct the condition and then continues to fail to respond or effect such repairs or maintenance within ten (10) business days after a second such notice, then KCHA will have the right to effect such repairs or maintenance and obtain reimbursement from the County for the cost of same. Costs associated with the operations, maintenance and repair of any joint use utilities will be allocated appropriately.

The County shall furnish all labor, equipment and supplies necessary for the proper performance of the maintenance service and may procure these services from a third party vendor specializing in facilities maintenance. Scope of work is set out in Schedule 2.

The County shall reasonably supervise the County Property. These obligations include, but are not limited to:

- A. Insuring safe and appropriate use of the County Property.
- B. Responding to citizen and transit user concerns and complaints regarding transit services, or the use or condition of the County Property, specifically including the Additional Facilities.
- C. Preventing and responding to personal or properties injuries or threats to public safety

that may or actually occur in the County Property.

The County shall cooperate to minimize the impacts of transit operations in and around the County Property, such as noise and air pollution from buses that may adversely affect housing residents' peaceful enjoyment of the KCHA Property.

6. Administration

6.1 Amendment and Revision Process.

As provided in Section 1.7, this Operations Agreement may be amended by mutual agreement of the Parties. If the Parties are unable to agree on proposed amendments to this Operations Agreement in the ordinary course of business, then they shall engage in the dispute resolution process under Section 6.9 of this Operations Agreement.

6.2. Indemnity

6.2.1 Each Party shall indemnify, defend, and save harmless the other Party and its officers, agents, employees, successors, and assigns, from and against any and all liability, including any and all suits, claims, actions, administrative proceedings, losses, costs, penalties, response costs, attorneys' fees, expert witness fees, injuries, or damages of whatsoever kind or nature (collectively, "claims"), arising out of or relating to: (i) the indemnifying Party's performance of, or failure to perform, its duties and obligations under this Operations Agreement; and (ii) the indemnifying Party's negligent or intentional acts or omissions in connection with this Operations Agreement, or its property. An indemnifying Party's obligations under this Section 6.2.1 includes the duty to promptly accept tender of defense and to provide defense to the indemnified Party at its own expense for any claim covered by this Section 6.2.1.

6.2.2 The indemnification in Section 6.2.1 is specifically and expressly intended to include, but is not limited to, all claims against the indemnified Party by the indemnifying Party's respective employees, former employees, consultants, contractors, or subcontractors; and the indemnifying Party expressly waives, as respect the indemnified Party only, all immunity and limitation on liability under any industrial insurance act including Title 51 RCW, to the extent necessary to provide the other Party with a complete indemnity for the actions of the indemnifying Party's officers, agents, employees, consultants, contractors, subcontractors or any of their respective officers, agents or employees. This indemnification has been the subject of specific negotiation between the Parties.

6.2.3 In the event it is determined that R.C.W. 4.24.115 applies to this Operations Agreement or activities contemplated herein, the indemnifying Party agrees to defend, hold harmless, and indemnify the indemnified Party to the maximum extent permitted thereunder, and specifically for its negligence concurrent with that of the indemnified Party to the full extent of the indemnifying Party's negligence.

6.2.4 If the indemnified Party incurs attorneys' fees, legal expenses, or other costs to enforce the provisions of this Section 6.2 and is successful in enforcing the provisions of this Section 6.2,

then all such fees, expenses, and costs shall be recoverable from the indemnifying Party.

6.3. Environmental.

Environmental matters are addressed in Section 4 of the Easement, which section is incorporated by this reference as if fully set forth herein. KCHA's hazardous materials obligations under this Operations Agreement are in addition to, and do not reduce or alter, KCHA's environmental obligations under Section 4 of the Easement.

6.4 Insurance

- a. These insurance requirements are intended to supplement, and not to replace, the insurance requirements set forth in Article C.5 of the Easement. If there is any conflict or ambiguity as between these insurance requirements and those set forth in Article C.5 of the Easement, then Article C.5 shall control.
- b. KCHA shall procure and maintain, for the duration of this Operations Agreement, insurance or coverage against claims for injuries to persons or damages to property which may arise from or in connection with any and all uses of the parking garage, the Commuter Parking Facilities, or the acts or omissions of KCHA, its agents, representatives, employees, contractors and/or subcontractors, residents, and off-site park-and-ride commuter users.
- c. By requiring such minimum insurance coverage, the County shall not be deemed or construed to have assessed the risks that may be applicable to KCHA. KCHA shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.
- d. Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained within these insurance requirements shall affect and/or alter the application of any other provision contained within the Easement or this Operations Agreement.
- e. For All Coverages: The cost of such insurance shall be paid by KCHA. Each insurance policy shall be written on an "Occurrence Form."
- f. Minimum Scope and Limits of Insurance: Coverage shall be at least as broad as:
 - i. General Liability: Insurance Services Office form number CG 0001 (Ed. 11-88) covering COMMERCIAL GENERAL LIABILITY. KCHA shall maintain limits no less than \$3,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
 - ii. Automobile Liability: Insurance Services Office form number (CA 00 01 Ed. 12-

90 or its equivalent) covering BUSINESS AUTO COVERAGE, symbol 1 “any auto”, or the combination of symbols 2, 8 and 9. Limits shall be no less than \$1,000,000. Combined Single Limit Bodily Injury and Property Damage.

- iii. Workers Compensation: Workers Compensation coverage, as required by the Industrial Insurance Act of the State of Washington.
- iv. Employers Liability or “Stop-Gap”: The protection by the Workers Compensation policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the “Stop-Gap” endorsement to the General Liability policy. Limits shall be no less than \$2,000,000.
- g. Deductibles and Self-Insured Retentions: The deductible and/or self-insured retention of the policies shall not limit or apply to KCHA's liability to King County and shall be the sole responsibility of KCHA.
- h. Other Insurance Provisions: The insurance policies required in this Operations Agreement are to contain, or be endorsed to contain the following provisions:
 - i. All Liability policies except Workers Compensation:
 - (A) King County, its officers, officials, employees and agents are to be covered as insured as respects liability arising out of activities performed by or on behalf of KCHA in connection with this Operations Agreement, but specifically excluding the acts or omissions of King County officers, officials, employees and agents in the parking garage or in or on the Commuter Parking Facilities.
 - (B) Insurance coverage shall be primary insurance as respects King County, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by King County, its officers, officials, employees or agents should not contribute with KCHA's insurance or benefit KCHA in any way.
 - (C) KCHA's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.
 - ii. All Policies: Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits prior to the expiration date of this Operations Agreement, unless forty-five (45) days prior notice, return receipt requested, has been given to King County.
- i. Acceptability of Insurers: Unless otherwise approved by King County, insurance is to be placed with insurers with a Bests' rating of no less than A: VIII, or, if not rated with Bests', with minimum surpluses the equivalent of Bests' surplus size VIII.
- j. Verification of Coverage: KCHA shall furnish KCHA with certificates of insurance and

endorsements required by this Operations Agreement. King County reserves the right to require complete, certified copies of all required insurance policies at any time.

- k. Municipal or State Agency Provision: If KCHA is self-insured for any of the above insurance requirements, then a valid certification of self-insurance shall be attached hereto and be incorporated by reference and shall constitute compliance with this section.

6.5. Taxes.

As between the Parties, KCHA shall be solely responsible for all taxes, fees, and charges arising out of or relating to the Property, including without limitation the existing parking garage and the Commuter Parking Facilities, except for such taxes, fees, and charges as may separately accrue to the County in connection with the Easement or the County Property. Each Party shall pay on a current basis all taxes or assessments, if any, levied on its activities and property in connection with this Operations Agreement; provided, however, that nothing contained herein shall modify such Party's right to contest any such tax, nor shall it be deemed to be in default as long as it shall, in good faith, be contesting the validity or amount of any such taxes.

6.6. Notice.

- a. Any and all notices or other communications required or permitted to be given under any of the provisions of this Easement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier, or two (2) days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. A courtesy copy may be sent by email to the Parties' respective designated representatives, but such email copy shall not constitute official notice for purposes of this Section 6.6. The Parties may also agree to give and receive notice by email or other electronic means; provided that if a Party disputes delivery or receipt of an electronic notice then that Party shall bear the burden of proving that the notice was not delivered or received.
- b. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as the Parties may specify by notice and given as provided herein:

If to the COUNTY: King County Metro
201 South Jackson Street, KSC-TR-0431
Seattle, WA 98104
Attn: Real Estate

With a copy to: Manager, Real Estate Services
401 5th Avenue, Suite 930
Seattle, WA 98104

If to KCHA: President and CEO
600 Andover Park West
Tukwila, WA 98188

With copies to:

SVP of Development and Asset Management; and
SVP of Asset Management

6.7 Designated Representatives

Each Party shall designate a representative to be its primary point of contact for administration of this Operations Agreement, including the initial steps of Dispute Resolution under Section 6.9. The Parties may change their designated representative from time to time by giving notice consistent with Section 6.6 above. The Parties' initial designated representative are as follows:

For King County: Adé Franklin, Director of Metro Facilities Maintenance Division

For KCHA: Tim Walter, SVP of Development and Asset Management

6.8 Annual Meeting and Review

During the first five years that this Operations Agreement is in effect, the Parties' designated representatives shall meet at least once per year to discuss the Commuter Parking Facilities, to review this Operations Agreement and the Schedules, and to update or revise this Operations Agreement and the Schedules as needed. The meeting may be in person, or by such electronic means as the designated representatives deem appropriate. After the first five year-period, the Parties shall meet on such basis as they may deem appropriate.

6.9 Dispute Resolution

- a. If the Parties' designated representatives cannot timely resolve a dispute under this Operations Agreement, then the following dispute resolution process shall apply:

STEP ONE. KCHA's designated representative and the County's Metro Transit Capital Division Manager or their designees shall confer and attempt to resolve the dispute within ten (10) business days of written notification by either Party.

STEP TWO. In the event KCHA's designated representative and the County's or their designees are unable to resolve the dispute within ten (10) business days as provided in Step One, either Party may refer the dispute to KCHA's Chief Executive Officer and the County's Metro Transit Department General Manager or their respective designees. They shall confer and attempt to resolve the dispute within five (5) business days of receiving the referral.

- b. If the Parties are unable to resolve the dispute utilizing the process set forth in Steps One through Two above, the Parties may, by agreement, choose to submit the matter to a non-binding mediator. The Parties shall share equally in the cost of the mediator. Neither Party shall have the right to seek relief in a court of law until and unless Steps 1 and 2 above are exhausted.
- c. At all times during the course of such conflict or dispute resolution efforts, each Party shall continue to diligently perform its then-existing responsibilities under this Operations Agreement.
- d. If, at any time during the dispute resolution process, a Party fails to timely respond within twenty (20) business days to a formal dispute resolution notice from the other Party, then the nonresponding Party shall be conclusively deemed to have consented to the notifying Party's proposed resolution of the dispute; provided, that if the notifying Party knows or should have known that the nonresponsive Party did not receive the notice in question, then this conclusion shall not apply.

7. GENERAL CONDITIONS

7.1 Powers of King County or KCHA.

Nothing contained in this Operations Agreement shall be considered or interpreted to diminish the governmental or police powers of King County or the King County Housing Authority.

7.2 Non-Waiver.

The failure of either Party to enforce any provision of this Operations Agreement shall not be construed as a waiver or limitation of that Party's right subsequently to enforce and compel strict compliance with every provision of this Operations Agreement.

7.3. Legal Relations.

Nothing contained herein shall make, or be deemed to make, King County or KCHA a partner of one another, and this Operations Agreement shall not be construed as creating a partnership or joint venture. This Operations Agreement shall create no right, duty, or cause of action in any person or entity not a party to it.

7.4. Washington Law Controlling; Where Actions Brought; Attorney Fees and Costs.

This Operations Agreement is issued under and governed by the laws of the State of Washington, which shall be controlling in any dispute that arises hereunder. Actions pertaining to this Operations Agreement shall be brought in King County Superior Court, King County, Washington. If either Party brings an action to enforce the terms of this Operations Agreement, in any such action the substantially prevailing party shall be entitled to an award of its reasonable attorneys' fees and reasonable costs. Said costs and attorneys' fees shall include, without limitation, costs and attorneys' fees incurred in any appeal or in any proceedings under any

present or future federal bankruptcy, forfeiture or state receivership or similar law.

7.5. Section Headings.

The section headings contained herein are only for convenience and reference and are not intended to be a part of this Operations Agreement or in any manner to define, limit, or describe the scope or intent of this Operations Agreement or the particular sections to which they refer.

7.6. Singular and Plural.

Wherever the context shall so require, the singular shall include the plural and the plural shall include the singular.

7.7. Interpretation.

The County and KCHA have each been represented by legal counsel in connection with the negotiation, execution and delivery of this Operations Agreement. Each of the provisions of this Operations Agreement has been reviewed and negotiated, and represents the combined work product of both Parties hereto. No presumption or other rules of construction which would interpret the provisions of this Operations Agreement in favor of or against the Party preparing the same shall apply in connection with the construction or interpretation of any of the provisions of this Operations Agreement.

7.8. Severability.

If a court of competent jurisdiction determines that any provision of this Operations Agreement is invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable unless striking such provision materially alters the intention of the Parties. If a court of competent jurisdiction finds that any provision of this Operations Agreement is invalid or unenforceable, but that by limiting such provisions it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

7.9. Counterparts.

This Operations Agreement may be executed in counterparts, each of which shall be deemed the original, but which together shall constitute one and the same instrument.

7.10. Nondiscrimination.

With respect to the Parties' rights and obligations under this Operations Agreement, the County and KCHA shall not discriminate on the basis of sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression, status as a family caregiver, military status or status as a veteran who was honorably discharged or who was discharged solely as a result of the person's sexual orientation or gender identity or expression, or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the

administration or delivery of services or any other benefits under King County Code Chapter 12.16, as now codified and as hereafter amended. The County and KCHA shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, King County Charter Section 840, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this Section 7.10 shall be considered a default of this Easement.

7.11. Easement Unaffected; Order of Precedence.

All capitalized terms used in this Operations Agreement and not specifically defined herein shall have the meaning or meanings given to them in the Easement. If there is any conflict or ambiguity between this Operations Agreement and the Easement, then the Easement shall control. If there is any conflict or ambiguity between this Operations Agreement and the Schedules attached hereto, this Operations Agreement shall control.

7.12 Exhibits.

The following exhibits or attachments are attached to this Operations Agreement:

- a. Exhibit 1, illustration of Commuter Parking Facilities
- b. Schedule 1, list of KCHA maintenance tasks and intervals
- c. Schedule 2, list of County maintenance tasks and intervals

EXECUTED by and between King County Housing Authority and King County effective as of the date last set forth below.

King County Housing Authority

King County

Date: _____

Date: _____

APPROVED FOR FORM:

Deputy Prosecuting Attorney

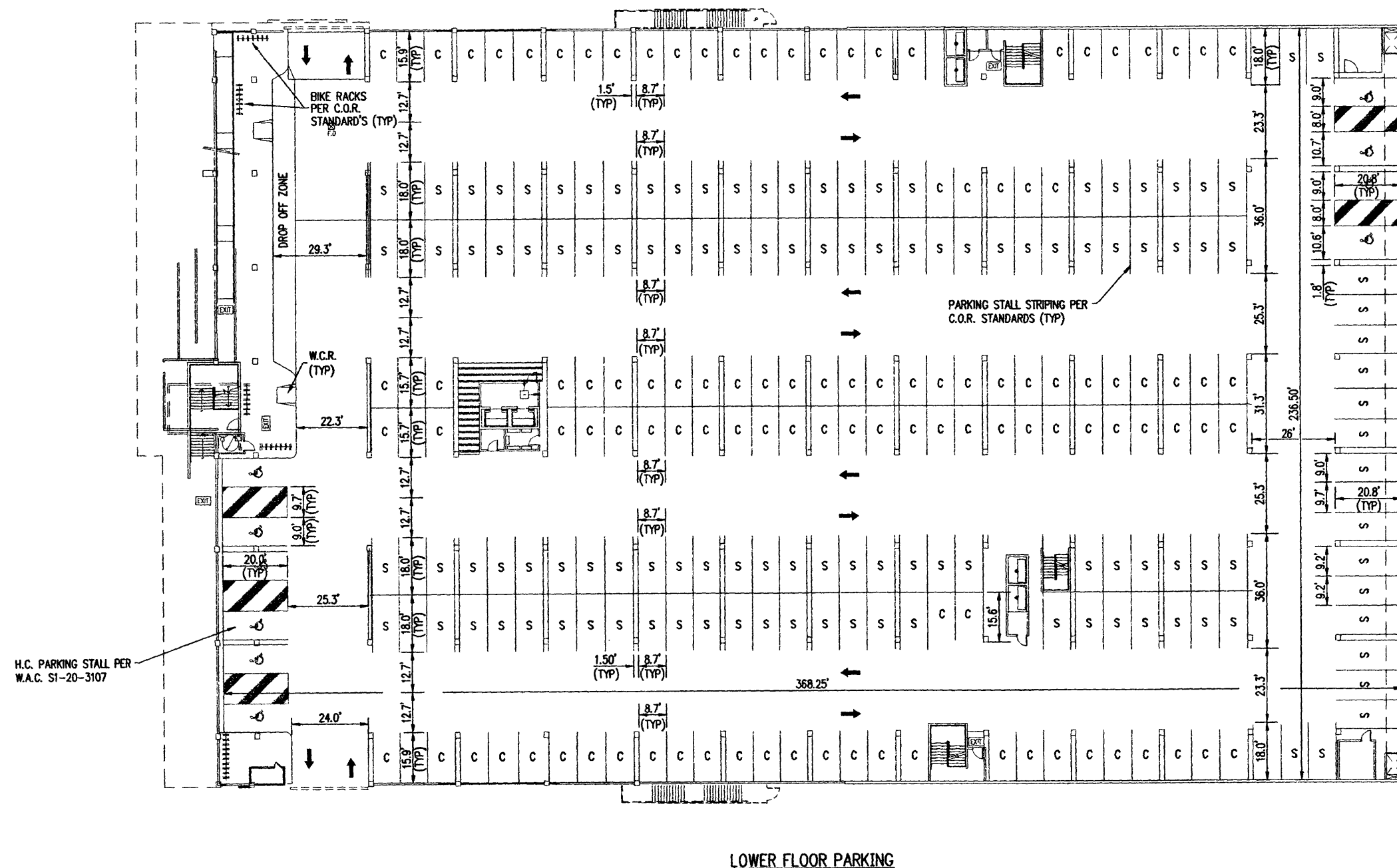
OPERATIONS AND MAINTENANCE AGREEMENT FOR KCHA COMMUTER PARKING
FACILITIES AT OVERLAKE VILLAGE

EXHIBIT 1

Illustration of Commuter Parking Facilities

[To be inserted]

NOTES:	JOB	99195	XREFS:	03/13/00	BPM Meeting Materials		
				NO.	DATE	BY	CHD.



UNDERGROUND PARKING PLAN LEGEND

- C - COMPACT PARKING STALL
S - STANDARD SIZE PARKING STALL
WCR WHEEL CHAIR/CURB RAMP
PER CITY STANDARD DETAIL No. 310.
♿ HANDICAP STALL PER WAC 51-20-3107. WSDOT/APWA STD.
PLAN F-3 FOR STRIPING AND SIGNAGE DETAILS. BUMPER
CURB PER WSDOT/APWA STD. PLAN F-1. STALL DIMENSIONS
PER PLAN.

PARKING TOTALS

STANDARD	129
COMPACT	115
HANDICAP	10
<hr/>	
TOTAL	254

C.O.R. SPR FILE No. SPR 99-029

APPROVED FOR CONSTRUCTION

Carol Osborne
Director Of Public Works
City Of Redmond

Date: _____

Plan Chk Engr. _____
For Sheet(s) _____
Std Str Engr. _____
Util Engr. _____
Fire Engr. _____
Transp Engr. _____
Planning Dept. _____

This approval is for the design only. These plans appear to be in conformance with the City Of Redwood design standards for construction. This approval shall not be construed as authorizing construction not in accordance with applicable City standards. The City reserves the right to require revisions to the approved plans and require the applicant to obtain a new City of Redwood construction permit at any time but it is discovered that the proposed construction does not otherwise meet the applicable construction standards. The applicant is required to provide designs and plans in accordance with applicable City standards and assures that construction is accomplished in accordance with these standards. The City of Redwood does not warrant the developer, as the user, may be required to make necessary approved field revisions to correct any errors or omissions found on the approved plan.

201095

**CALL 48 HOURS
BEFORE YOU DIG
1-800-424-5555**

OVERLAKE TRANSIT ORIENTED DEVELOPMENT

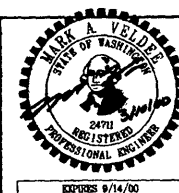
REDMOND, WASHINGTON

PERMIT AND CONSTRUCTION PLANS
UNDERGROUND PARKING PLAN (LOWER)

SHEET

C6.1

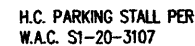
June 11, 2025



DRAWN BY CDK	DATE 13MAR00
DESIGNED BY ARS	13MAR00
CHECKED BY TJ	13MAR00
APPROVED BY MAV	13MAR00

SCALE:	
HORIZ. 1" = 20'	
VERT.	
JOB NO.:	99195.2

k p f f Consulting Engineers
1201 Third Avenue, Suite 900
Seattle, Washington 98101
(206) 622-5822 Fax (206) 622-8130
Page 311



UPPER FLOOR PARKING

C - COMPACT PARKING STALL
S - STANDARD SIZE PARKING STALL
WCR WHEEL CHAIR/CURB RAMP
PER CITY STANDARD DETAIL No. 310.
♿ HANDICAP STALL PER WAC 51-20-3107. WSDOT/APWA STD.
PLAN F-3 FOR STRIPING AND SIGNAGE DETAILS. BUMPER
CURB PER WSDOT/APWA STD. PLAN F-1. STALL DIMENSIONS
PER PLAN.

<u>PARKING TOTALS</u>	
STANDARD	126
COMPACT	108
HANDICAP	11
<hr/>	
TOTAL	244

APPROVED FOR CONSTRUCTION

Plan Chk Engr. _____
For Sheet(s) _____
Stm Dwn Engr. _____
Util Engr. _____
Fire Engr. _____
Tropn Engr. _____
Planning Dept. _____

This approval is for the design only. These plans appear to be in conformance with the City of Redwood design standards for construction. This approval shall not be construed as authorizing construction not in accordance with applicable City standards. The City reserves the right to require revision to the approved plans to assure conformance with City of Redwood design standards. The City also reserves the right to disallow that the proposed construction is not otherwise meet the applicable construction standards. The owner is required to provide designs and plans in accordance with applicable City standards and assures that construction is accomplished in accordance with those standards. The owner and/or design engineer shall be responsible for the construction and shall be responsible for any field revisions to correct any errors or omissions found on the approved plans.

201096

**CALL 48 HOURS
BEFORE YOU DIG
1-800-424-5555**

					DRAWN BY CDK 13MAR00 DESIGNED BY ARS 13MAR00 CHECKED BY TJ 13MAR00 APPROVED BY MAV 13MAR00		SCALE: HORIZ. 1" = 20' VERT. JOB NO.: 99195.2		 Consulting Engineers 1201 Third Avenue, Suite 900 Seattle, Washington 98101 (206) 622-5822 Fax (206) 622-8130 Page 312		OVERLAKE TRANSIT ORIENTED DEVELOPMENT REDMOND, WASHINGTON		SHEET	
03/13/00					1ST SUBMITAL - PERMIT AND CONSTRUCTION PLANS						PERMIT AND CONSTRUCTION PLANS UNDERGROUND PARKING PLAN (UPPER)		C6.2	
NO. DATE BY CHKD APPR.					REVISION									
BPM Meeting Materials														

OPERATIONS AND MAINTENANCE AGREEMENT FOR KCHA COMMUTER PARKING FACILITIES AT VILLAGE AT OVERLAKE STATION

SCHEDULE 1

Commuter Parking Facilities Minimum Maintenance Tasks and Intervals

1 Grounds.

- 1.1 Scope of work: General-- All commuter-related parking areas including surfaces, walls, railings, curbs, drive aisles, displays, signs, or other improvements, located in or on the Village at Overlake Station parking garage and its sidewalks, entrances, and exits associated with the Designated Spaces as defined in the Operations Agreement (collectively, the “Commuter Parking Facilities”) shall be well maintained and kept clean and free of all dirt, debris, contaminants and litter including papers, wrappers, containers, stickers, flyers, cigarette butts, food and beverage spills, graffiti, leaves and other material. Sweeping, pickup, and/or disposal of dirt, debris, contaminants, and litter within and around the Commuter Parking Facilities shall be performed five times per week or as needed to maintain a similarly clean facility.
- 1.2 Landscaped areas-- Any landscaped areas immediately adjacent to the Commuter Parking Facilities on the KCHA Property shall be kept free of weeds and covered annually with ground bark. Plantings, shrubs and ornamental trees immediately around the Commuter Parking Facilities on the KCHA Property shall be fertilized and pruned regularly but no less than annually. Dead or dying plantings, shrubs, and ornamental trees, once established, shall be replaced by KCHA.

2. Commuter Parking Facilities Maintenance.

- 2.1 KCHA shall furnish all labor, equipment and supplies necessary for the proper performance of Commuter Parking Facilities maintenance. Supplies include, but are not limited to, cleaners, detergents, floor polish, disinfectants, vacuum cleaners, dust cloths, wet and dry mops, waxes, buffing machines, plastic bags, graffiti removal agents, and trash can liners.
- 2.2 Immediate response scope of work: Offensive Graffiti shall be removed within 24 hours of it being reported or seen. For this purpose, “offensive graffiti” is defined as: Racially or ethnically derogatory words or markings; words generally considered profane or socially unacceptable; or pictures/drawings of an obscene nature.
- 2.3 Daily scope of work: the following shall be reviewed five times a week and performed, if and as needed to maintain a similarly clean facility.
 - Pick up all paper, cigarette butts, beverage containers, and other debris from floor of garage
 - Sweep floors as needed

- Sweep stairs and clean handrails
 - Empty trash receptacles and replace liners
 - Remove stickers, flyers and other unauthorized advertising, and graffiti from all surfaces including the exterior of building.
 - Replace broken or burned out light fixtures.
 - Remove accumulated snow, ice, and water in and around the garage and access areas as necessary. No chloride products shall be used.
 - Replace broken, missing or damaged signs.
- 2.4 Weekly scope of work: the following shall be done on a weekly basis or as needed to maintain a similarly clean facility:
- Sweep the entire garage and/or hose clean
 - Dust light fixtures, wash glass on security monitors
- 2.5 Twice annual scope of work: the following shall be done twice annually or as needed to maintain a similarly clean facility:
- Pressure wash or hose off food and beverage spills
 - Pressure wash stairs
 - Remove/clean grease and oil spills using spill kit.
- 2.6 Annual scope of work: the following shall be done on an annual basis or as needed to maintain a similarly clean facility:
- Wash all light fixtures
 - Restripe parking stalls
 - Repaint and maintain stall and traffic markings

OPERATIONS AND MAINTENANCE AGREEMENT FOR COUNTY PROPERTY,
INCLUDING ADDITIONAL TRANSIT FACILITIES

SCHEDULE 2

Minimum Maintenance Tasks and Intervals

1 Grounds.

- 1.1 Scope of work: General-- All public spaces including surfaces, walls, railings, curbs, benches, streets, public art or other displays, signs, or other improvements, located in or on the County Property, Additional Transit Facilities and related sidewalks, entrances, and exits (collectively, the “County Commuter Facilities”) shall be well maintained and kept clean and free of all dirt, debris, contaminants and litter including papers, wrappers, containers, stickers, flyers, cigarette butts, food and beverage spills, graffiti, leaves and other material. Sweeping, pickup, and/or disposal of dirt, debris, contaminants, and litter within and around the County Commuter Facilities shall be performed five times per week or as needed to maintain a similarly clean facility.
- 1.2 Landscaped areas-- Any landscaped areas on the County Property shall be kept free of weeds and covered annually with ground bark. Plantings, shrubs and ornamental trees within the County Property shall be fertilized and pruned regularly but no less than annually. Dead or dying plantings, shrubs, and ornamental trees, once established, shall be replaced by the County.

2 County Commuter Facilities Maintenance.

- 2.1 The County shall furnish all labor, equipment and supplies necessary for the proper performance of County Commuter Facilities maintenance and may procure these services from a third party vendor specializing in facilities maintenance. Supplies include, but are not limited to, cleaners, detergents, floor polish, disinfectants, vacuum cleaners, dust cloths, wet and dry mops, waxes, buffing machines, plastic bags, graffiti removal agents, and trash can liners.
- 2.2 Immediate response scope of work: Offensive or gang related graffiti and signs of vandalism shall be removed or repaired within 24 hours of it being reported or seen. For this purpose, “offensive graffiti” is defined as: Racially or ethnically derogatory words or markings; words generally considered profane or socially unacceptable; or pictures/drawings of an obscene nature.
- 2.3 Daily scope of work: the following shall be reviewed five times a week and performed, if and as needed to maintain a similarly clean facility.
- Pick up all paper, cigarette butts, beverage containers, and other debris.
 - Remove stickers, flyers and other unauthorized advertising, and graffiti from all surfaces including the exterior of building.

- Sweep and mop floors as needed.
- Dust and vacuum light and fan grills as needed.
- Clean exterior doors, stairs, and handrails.
- Remove food and beverage spills and gum.
- Empty trash receptacles and replace liners.
- Replace broken or burned out light fixtures.
- Remove accumulated snow, ice, and water in and around passenger loading areas as necessary. No chloride products shall be used.
- Replace broken, missing or damaged signs.

2.4 Weekly scope of work: the following shall be done on a weekly basis or as needed to maintain a similarly clean facility:

- Pressure wash or hose off food and beverage spills
- Dust light fixtures, wash glass on security monitors

2.5 Drivers' Comfort Station. The County is responsible for cleaning, maintaining and supplying the Drivers' Comfort Station.

2.6 Passenger Loading Area. The following shall be done quarterly or as needed to maintain a similarly clean facility:

- Clean and maintain all transit shelters and covered walkways including frames, footings, roofs, benches, panels/windcreens, lighting and railings.
- Maintain and clean all paved areas, including sweeping and litter pick-up at least five (5) times a week.
- Perform emergency repairs within the transit shelters and passenger loading area.

2.7 Information, Signage and Artwork

- Maintain and stock all transit information signage and receptacles and maintain public artwork consistent with 4Culture guidelines.

2.8 Monthly scope of work: the following shall be done quarterly or as needed to maintain a similarly clean facility:

- Transit Loop and Entrance Driveway shall be pressure washed and cleaned as necessary to remove dirt, leaves, grease and accumulated oil

2.9 Twice annual scope of work: the following shall be done twice annually or as needed to maintain a similarly clean facility:

- Pressure wash stairs
- Pressure wash off grease and oil.

2.10 Annual scope of work: the following shall be done on an annual basis or as needed to maintain a similarly clean facility:

- Wash all light fixtures

EXHIBIT F

Seller's Certification of Non-Foreign Status under Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by King County ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in 26 CFR 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 91-6001327;
4. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, 401 5th Avenue, CNK-ES-0930, Seattle, WA 98104.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated this ____ day of _____, 20__.

King County, Transferor:

By: _____
Name: W. Drew Zimmerman
Title: Director, Facilities Management Division

EXHIBIT G.

RELEASE OF MEMORANDUM OF LEASE

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO:

King County Housing Authority
600 Andover Park West
Tukwila, WA 98188
Attn: Beth Pearson

**RELEASE OF MEMORANDUM OF LEASE
(VILLAGE AT OVERLAKE STATION)**

Releasor:	King County ("County") Housing Authority of the County of King ("KCHA")
Legal Description:	Lot 2, Village at Overlake Station Binding Site Plan, according to the plat thereof recorded in Vol. 219 of Plats, Page 53-56, in King County Washington
Assessor's Tax Parcel Number:	894442-0020-08
Reference Number of Document Released:	20000717001193, 20040319001422 and 20040319001423

This Release of Memorandum of Lease ("Release") relates to a certain Memorandum of Lease (the "Memorandum") providing public notice of a Ground Lease dated July 7, 2000 between the King County and KCHA, which Memorandum was recorded on July 17, 2000 as Document No. 20000717001193 in the King County Public Records. Such lease was amended by First Amendment to Ground Lease dated December 23, 2003, notice of which was recorded on March 19, 2004 as Document 20040319001422 and by Second Amendment to Ground Lease dated March 19, 2004, notice of which was recorded on March 19, 2004 as Document 20040319001423. The Memorandum, as amended, relates to property located in Seattle, WA and described above.

WHEREAS, the Lease between the parties has been terminated, and all obligations have been satisfied.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the undersigned has caused this Release to be signed by its duly authorized representatives for purposes of recording in the public records.

KING COUNTY, a political subdivision of the State of Washington

By: _____
Name: _____
Title: _____

APPROVED FOR FORM:

Deputy Prosecuting Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me _____,
to me known to be the _____ of **King County**, the entity
that executed the within and foregoing instrument, and acknowledged the said instrument to be
the free and voluntary act and deed of **King County**, for the uses and purposes therein
mentioned, and on oath stated that he/she was authorized to execute the said instrument.

Dated: _____.



Notary Public
Print Name _____
My commission expires _____

(Use this space for notarial stamp/seal)

HOUSING AUTHORITY OF THE COUNTY OF KING, a public body corporate and politic of the State of Washington

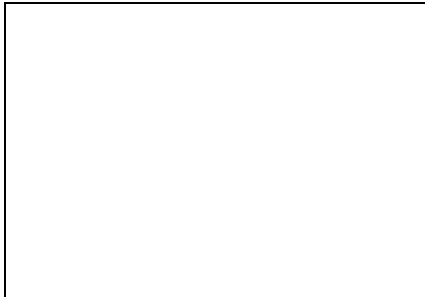
By: _____
Name: _____
Title: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me

_____, to me known to be the _____ of **Housing Authority of the County of King**, the entity that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of **Housing Authority of the County of King**, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument.

Dated: _____.



(Use this space for notarial stamp/seal)

Notary Public
Print Name _____
My commission expires _____

EXHIBIT H

ACCESS AND UTILITIES EASEMENT

After recording, return to:
King County Real Estate Services
401 5th Avenue, Suite 930
Seattle, WA 98104

Please print or type information WASHINGTON STATE RECORDER'S Cover Sheet (RCW 65.04)

Document Title(s) (or transactions contained therein): (all areas applicable to your document <u>must</u> be filled in) Easement Agreement	
Reference Number(s) of Documents released:	
Grantor: King County	
Grantee: Housing Authority of the County of King	
Legal description (abbreviated: i.e. lot, block, plat or section, township, range) Additional legal is on Exhibit C of document.	
Assessor's Property Tax Parcel/Account Number	Y Assessor Tax # not yet assigned
The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.	

EASEMENT AGREEMENT FOR ACCESS AND UTILITIES

This Easement Agreement for Access and Utilities (“Agreement” or “Easement”) is executed by and between King County, a home rule charter county and political subdivision acting by and through its Metro Transit Department (the “County”) and the Housing Authority of the County of King, a public body corporate and politic formed under the laws of the State of Washington (“KCHA”). The County and KCHA are referred to jointly herein as together as the “Parties” and individually as a “Party.”

RECITALS

A. The County is the fee owner of real property, identified as Tax Parcel Number #8944420010 and legally described in Exhibit B attached hereto, on which is located a bus loop and commuter loading area transit-related facilities (such real and personal property is collectively referred to as the “County Property”).

B. Pursuant to that certain Ground Lease dated as of July 7, 2000 from the County to KCHA, as amended by First Amendment to Ground Lease dated as of December 23, 2003 and Second Amendment to Ground Lease dated March 19, 2004 (as amended, the Ground Lease), the County ground leased to KCHA certain real property for residential development in Redmond, WA, which property is identified as Tax Parcel Number #8944420020 and legally described in Exhibit A attached hereto (the “KCHA Property”).

C. The County Property is located west of and immediately adjacent to the KCHA Property and provides the sole means of public access for residents and invitees of the KCHA Property and members of the public using commuter parking in the garage on the KCHA Property. For this purpose, the County Property was burdened by and the KCHA Property is benefited by an existing ingress and egress easement (the “Prior Easement”) over, under and across the northerly 60.01 feet of the County Property as described in the Second Amendment to Ground Lease.

D. In connection with the County’s conveyance of fee title to the KCHA Property and the parties’ termination of the Ground Lease, including the Prior Easement, the Parties desire to replace the Prior Easement with a new easement referred to herein as the “Easement” serving the same purpose of the Prior Easement and containing additional terms and conditions as described here.

AGREEMENT

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in furtherance of the fee-title conveyance transaction described in Recital D, the Parties agree as follows:

1. Incorporation of Recitals. The Recitals are hereby incorporated by reference and made a part of the terms of this Agreement.
2. Termination of Prior Easement. The Prior Easement is hereby terminated and no longer in force or effect.
3. Access and Utility Easement.
 - 3.1. Grant. The County hereby grants to KCHA, its successors and assigns, a perpetual non-exclusive private easement, referred to hereinafter as the “Easement,” over, under and across that portion of the County Property legally described in Exhibit C attached hereto (the “Easement Area”) which easement is appurtenant to and benefits the KCHA Property.
 - 3.2. No Representations. KCHA acknowledges and agrees that, except as otherwise expressly set forth herein, the County has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, of as to, concerning, or with respect to:
 - a. The value, nature, quality, or condition of the Easement Area, including, without limitation, the water, soil, and geology;
 - b. The income, if any, to be derived from the Easement Area;
 - c. The suitability of the Easement Area for any and all activities or uses which KCHA or anyone else may conduct thereon;
 - d. The compliance of or by the Easement Area or its operation with any laws, rules, ordinances, or regulations of any applicable governmental authority or body;
 - e. The Easement Area’s habitability, merchantability, marketability, profitability, or fitness for a particular purpose;
 - f. The manner or quality of the construction or materials, if any, incorporated into the Easement Area; or
 - g. Any other matter with respect to the Easement Area; and KCHA specifically acknowledges and agrees that the County has not made, does not make, and specifically disclaims any representations regarding compliance with any environmental protection,

pollution, zoning or land use laws, rules, regulations, orders, or requirements, including the existence in, on, or adjacent to the Easement Area of Hazardous Substances as defined in Section 13.15 of this Easement.

- 3.3. As Is Condition. KCHA further acknowledges and agrees that, having been given the opportunity to inspect the Easement Area, KCHA is relying solely on its own investigation of the Easement Area and not on any information provided or to be provided by the County. KCHA further acknowledges and agrees that any information provided or to be provided by the County with respect to the Easement Area was obtained from a variety of sources and that the County has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. KCHA further acknowledges and agrees that the County is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Easement Area, or the operation thereof, furnished by any real estate broker, agent, employee, servant, or other person, and, to the maximum extent permitted by law, the use of the Easement Area as provided for herein is made on an “AS-IS” condition and basis with all faults, without any obligation on the part of the County to make any changes, improvements, or to incur any expenses whatsoever for the maintenance or repair of the Easement Area.
- 3.4. Maintenance of the County Property. The County shall, at its sole cost and expense, maintain the County Property and the “Additional Transit Facilities” (which are defined in the Operations Agreement, attached hereto as Exhibit D and incorporated by this reference) and every part thereof in accordance with the provisions set forth in the Operations Agreement.
- 3.5. Use. KCHA, its employees, tenants, contractors, agents, invitees, successors and assigns shall have the non-exclusive right of access over, across, through and under the Easement Area for the purpose of: (a) ingress and egress to and from the KCHA Property over existing and future roads, and (b) inspecting, installing, constructing, repairing, protecting, operating and maintaining utility lines necessary or desirable for the operation of the KCHA Property, including but not limited to gas, electric, telecommunication, water lines, sewer lines, stormwater lines (but not stormwater detention facilities), underground conduits, mains, cables, and wires with necessary facilities and other equipment for the purpose of serving the KCHA Property with utilities, with removal and replacement of same at will. KCHA shall have the right to cut and to keep clear, without payment of damages, all trees, limbs, brush, native growth or foliage and other obstructions that may, in KCHA’s opinion, endanger, hinder or

conflict with the exercise of its rights under this Easement. The Easement Area shall not be used by KCHA or the County for parking. If any vehicle is parked in the Easement Area, KCHA and the County are each entitled to remove the vehicle. The exercise of any rights under this Agreement shall be conducted so as to minimize any disruption to the use of the Easement Area by the other parties.

- 3.6 Construction. Prior to its entry onto the Easement Area for any utility-related or other work, a Party desiring to perform construction within the Easement Area shall, at its sole cost and expense, submit to the other Party for its review and approval, which approval shall not be unreasonably withheld, copies of the construction staging plans and specifications for the work and detailing any existing trees, landscaping and improvements to be removed. The non-constructing Party shall have twenty (20) business days following receipt thereof to review and comment on the construction plans and specifications for the work (or any modification thereof) in writing or the same will be deemed approved. If the non-constructing Party submits objections or comments within the 20-day period, then the constructing Party shall revise the construction plans and specifications consistent with the objections or comments and shall resubmit the same for further review pursuant to this provision until submittals have been approved. The constructing Party shall make a good faith effort to reasonably accommodate the non-constructing Party's comments, but shall not be obligated to bear materially increased costs, except to ensure that the requirements set forth in Section 3.12.a are met.
- 3.7 Security. Both Parties, as municipal entities, agree to either waive evidence of a performance bond, irrevocable letter of credit, or other security or to accept a standard form public agency surety agreement in connection with any construction or other liability under this Agreement.
- 3.8 Nuisance; On-going Access. Each Party shall refrain from causing any disturbance or nuisance in the Easement Area and shall immediately remedy any such disturbance or nuisance caused by it or its contractors, vendors, tenants, agents or invitees. During any work in the Easement Area, a constructing Party shall be expected to maintain access for continued use of each Party's property as mixed use, multi-family housing in the case of KCHA and a transit center and park and ride with adjacent transit commuter parking in the case of the County.
- 3.9 Pavement Condition. The Parties acknowledge that bringing heavy equipment, vehicles, or materials onto the Easement Area may exceed pavement weight limits and cause subsurface damage that becomes observable after Substantial Completion (defined as issuance of a Certificate of Occupancy or temporary Certificate of

Occupancy). The constructing Party shall take all necessary precautions to prevent damage to asphalt or concrete surfaces during construction and shall be responsible for all costs associated with repairing any damage to the asphalt or concrete or to the substrate or other subsurface structures resulting from such construction. The non-constructing Party may monitor asphalt and concrete pavement on the Easement Area through its usual and ordinary facility inspection and monitoring process and may notify the constructing Party, up to twenty-four calendar months after Substantial Completion, if new, different, or unusual pavement failure is identified and is determined to be related to the constructing Party's work. If the constructing Party disagrees with the non-constructing Party's assertion that the observed damage relates to the work, then the Parties shall enter into dispute resolution under Section 4.9 of this Easement.

3.10 Reservation of Rights. The County reserves the right to use the Easement Area for any purpose not inconsistent with the rights herein granted, provided that the County shall not erect, construct or maintain any structures or plant any vegetation in or around the Easement Area that interferes with the exercise by KCHA of the rights granted to it under this Agreement.

3.11 County Compliance. As between the Parties, the County shall be solely responsible for all signage in the Easement Area and shall obtain and comply with any and all needed permits, approvals, terms and conditions of any kind that may be required by any agency with jurisdiction in connection with the Easement Area and improvements located therein, including but not limited to any permits or other authorizations that may be required by King County or the State of Washington; provided, that as between the Parties KCHA shall be solely responsible to obtain and comply with any permits or other authorizations that may be required in connection with any construction by KCHA or resident access pursuant to this Easement. The County's grant of use rights to KCHA under this Easement does not relieve the County of its duty to comply with all applicable laws and regulations concerning the County's activities and improvements made in furtherance of its reserved rights as contemplated in this Easement.

3.12 Maintenance of Easement Area.

- a. Maintenance of the Easement Area. The County shall maintain, at its cost, the road surface, landscaping, sidewalks, and any amenities located within the Easement Area on a regular basis in a manner that preserves its appearance as an integral facility serving the County Property and the KCHA Property, reasonably free of defects and serviceable

to both owners. The County and KCHA shall each be responsible for the costs of maintenance, repair and replacement of utility systems serving their respective property.

- b. Without limiting the generality of the foregoing paragraph, KCHA shall: (i) not commit or suffer any waste upon the Easement Area or the KCHA Property; (ii) not do or permit anything to be done in, on or about the KCHA Property or the Easement Area that is illegal or unlawful; and (iii) comply with all environmental, health and safety requirements imposed by the permitting jurisdictions or other governmental authorities or Environmental Laws as defined in Section 3.16 of this Easement and all requirements of law that may be applicable to KCHA's use of the Easement Area.

3.13 **Damage to Easement Area.** In addition to their other duties under this Easement, the County and KCHA shall refrain from causing any damage to the Easement Area and the improvements constructed in, on and under such area, and shall immediately repair any damage caused by it or by any employee, contractor, licensee, agent, tenant or invitee of such Party at such Party's sole cost and expense. If a Party (the "Non-Performing Party") fails to perform any such required repairs and the other Party is not in default under the terms of this Agreement, the non-defaulting Party (the "Performing Party"), upon fifteen (15) days' prior written notice to the Non-Performing Party, may cause such repair work to be performed (the "Repair Work") with a right of reimbursement by the Non-Performing Party for all reasonable sums expended to remedy such failure. Within thirty (30) days after delivery of a statement documenting such reasonable repair costs incurred (the "Performance Notice"), the Non-Performing Party shall reimburse the Performing Owner for the Repair Work. This reimbursement obligation shall inure to the benefit of and be enforceable by the Performing Party and its successors and assigns.

3.14 **Liability Insurance.** During the term of this Easement, the County and KCHA shall each maintain a policy of general liability insurance ("Liability Insurance") or coverage with adequate single and combined liability limits in force at all times, each insuring their own activities, conditions, operation and usage with respect to the Easement Area. Such Liability Insurance or coverage may be issued by a program of self-insurance, a governmental insurance pool, or private insurance companies with a reliable general policyholder's rating and financial rating and qualified to do business in Washington. Upon written request, the County and KCHA shall provide the other with evidence of Liability Insurance coverage in accordance with this section.

3.15 **Indemnification.**

- a. The County and KCHA agree that, as to their non-exclusive use of the Easement Area, each shall accept responsibility for any and all liability arising from the acts or omissions of its own officers, employees, agents and contractors to the extent provided by law for all activities, operations and usage by such Party on or in connection with the Easement Area. The County and KCHA shall each protect, defend, indemnify and hold harmless the other Party from and against any and all claims, debts, demands, obligations, losses, liens, judgments or liabilities of any kind, including related expenses such as reasonable attorney's fees and court costs, now or hereafter arising or resulting from the indemnifying Party's negligent acts or omissions in its use of the Easement Area. If a Party incurs attorneys' fees, legal expenses, or other costs to enforce the provisions of this Section 3.15.a and is successful in enforcing the provisions of this Section 3.15.a, then all such fees, expenses, and costs shall be recoverable from the other Party. In the event of concurrent negligence, liability will be apportioned in accordance with each party's percentage of fault.
- b. To the extent permitted by law, the County shall protect, defend, indemnify and hold harmless KCHA from and against any and all claims, debts, demands, obligations, losses, liens, judgments or liabilities of any kind, including related expenses such as reasonable attorney's fees and court costs, now or hereafter arising from the design, development or operation of the County Property or the Additional Transit Facilities.
- c. The indemnifications in Section 3.15 are specifically and expressly intended to include, but are not limited to, all claims against a Party by the other Party's employees, former employees, consultants, contractors, or subcontractors; and each Party expressly waives, as respects the other Party only, all immunity and limitation on liability under any industrial insurance act including Title 51 RCW, to the extent necessary to provide the indemnified Party with a complete indemnity for the actions of the indemnifying Party's officers, agents, employees, consultants, contractors, subcontractors or any of their respective officers, agents or employees. This indemnification has been the subject of specific negotiation between the Parties.
- d. The obligations contained in this Section 3.15 shall survive the expiration, assignment, transfer, abandonment or termination of this Easement. These indemnifications are for the sole benefit of the Parties and shall not inure to the benefit of any third party.

3.16 Environmental Requirements.

- a. Each Party represents, warrants and agrees that it shall conduct its activities related to the Easement Area in compliance with all applicable environmental laws. As used in this Agreement, “Environmental Laws” means all federal, state and local environmental laws, rules, regulations, ordinances, judicial or administrative decrees, orders, decisions, authorizations or permits including, but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 11001, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq., the Oil Pollution Control Act, 33 U.S.C. § 2701, et seq., the Model Toxics Control Act, RCW chapter 70A.305, and Washington or any other comparable local, state, or federal statute or ordinance pertaining to the environment or natural resources and all regulations pertaining thereto.
- b. Each Party agrees that it shall not bring toxic or hazardous substances upon the Easement Area without the other Party’s express written permission and under such terms and conditions as may be specified by the County. For the purposes of this Easement, “Hazardous Substances,” shall include all those substances identified as hazardous or toxic under the Environmental Laws, and shall include any pollutants, contaminants, or substances posing a danger or threat to public health, safety or welfare, or the environment, and which are regulated or controlled as such by any applicable federal, state or local laws, ordinances or regulations as now existing or hereafter amended, including but not limited to gasoline and other petroleum products. In the event such permission is granted, the disposal of such materials must be done in a legal manner by the Party bringing such substances upon the Easement Area.
- c. The Parties agree to cooperate in any environmental investigations conducted by or at the direction of the any state, federal, or local agency with jurisdiction where there is evidence of contamination on the Easement Area, or where the County may be directed to conduct such audit by an agency or agencies having jurisdiction. Each Party agrees to reimburse the other for the cost of such investigations, where the need for said investigation is reasonably and finally determined to be caused by one Party’s acts or omissions, and further agrees to provide the other Party with any

notice of an inspection, notice of violation, and order to clean up contamination with respect to the Easement Area. Each Party shall be entitled to participate in all settlement or abatement discussions related to same. If a Party fails to take remedial measures as duly directed by a state, federal, or local regulatory agency within thirty (30) days of such notice, the other Party may elect to perform such work, and non-performing Party covenants and agrees to reimburse the performing Party for all commercially reasonable direct and indirect costs associated with the such work where said contamination is determined to arise out of or result from non-performing Party's use of the Easement Area.

- d. For the purposes of this Section 3.16, "Costs" shall include, but not be limited to, all response costs, disposal fees, investigatory costs, monitoring costs, civil or criminal penalties, and attorney fees and other litigation costs incurred in complying with the Environmental Laws, or any of them.
- e. Each Party agrees to defend, indemnify and hold the other harmless from and against any and all claims, causes of action, administrative proceedings, obligations, demands and liability including, but not limited to, any Costs, liabilities, damages, expenses, assessments, penalties (whether civil or criminal), fines, losses, judgments and attorneys' fees associated with the removal or remediation of any Hazardous Substances released or otherwise located on the Easement Area as a result of such Party's acts or omissions on the Easement Area or in connection with such Party's exercise of its rights under this Easement, including but not limited to Hazardous Substances that may have migrated from the Easement Area through water or soil to other properties. Each Party further agrees to defend, indemnify and hold the other harmless from any and all liability arising from such Party's offsite disposal, handling, treatment, storage, or transportation of any Hazardous Substances removed from the Easement Area by or on behalf of such Party.
- f. The provisions of Section 3.16 shall survive the termination or expiration of this Easement. Section 3.16 is the exclusive provision of this Easement regarding Hazardous Substances and environmental obligation relating to the Easement, and the exclusive contractual rights and duties of the County and KCHA pertaining thereto.

4. General Provisions.

- 4.1. Entire Agreement. This Agreement constitutes the entire understanding between the Parties with respect to the subject matter contained herein and supersedes any prior agreement and understanding about the subject matter hereof. This Agreement may be modified or amended only by a written instrument executed by the Parties hereto.
- 4.2. Severability. If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each remaining term and provision shall be valid and enforced to the fullest extent permitted by law.
- 4.3. Waiver. The failure of either Party to enforce any provision of this Easement shall not be construed as a waiver or limitation of that Party's right subsequently to enforce and compel strict compliance with every provision of this Easement.
- 4.4. Running with the Land. The easement established by this Agreement is (i) appurtenant to the KCHA Property (ii) binding upon the County and its successors in interest and (iii) inures to the benefit of KCHA. None of the easements or rights granted to KCHA herein may be transferred, assigned or encumbered except as an appurtenance to the KCHA Property. The easements and covenants herein shall run with the land and be binding on all parties having or acquiring any right, title, or interest in the land described herein, or any part thereof.
- 4.5. Recording. This Agreement shall be recorded in the real property records of King County, Washington.
- 4.6. Governing Law; Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without giving effect to its conflicts of law rules or choice of law provisions. The Superior Court of King County, Washington shall have the exclusive jurisdiction and venue of any litigation arising out of or relating to this Easement. Except as otherwise provided by the express terms of this Easement, if the Parties litigate any controversy, claim, or dispute arising out of or relating to this Easement, then each Party shall be solely responsible for the payment of its own legal expenses, including but not limited to, attorney's fees and costs.
- 4.7. Counterparts. This Agreement may be executed in counterparts, all of which shall be deemed an original as if signed by all Parties. This Agreement and related instruments may be electronically signed, and any electronic signature appearing on this Agreement or a related instrument shall be deemed to constitute an original signature for purposes of validity, enforcement, and admissibility.
- 4.8. Notices. Any demand, request or notice which either Party hereto desires or may be required to make or deliver to the other shall be in writing and shall be deemed given when personally delivered, delivered by private courier service (such as Federal Express), or

three (3) days after being deposited in the United States Mail in registered or certified form, return receipt requested, addressed as follows:

To: County

Name: King County, Attn: Real Estate
Address: 201 South Jackson Street,
KSC-TR-0431
Seattle, WA 98104-3856

With a copy to:

Name: Manager, Real Estate Services
401 5th Avenue
Suite 930
Seattle, WA 98104

To: KCHA

Name: King County Housing Authority
Address: Attn: President and CEO
600 Andover Park West
Tukwila, WA 98188

With copies to:

SVP of Asset Management
SVP of Development and Asset Management

or to such other single address and person as either party may communicate to the other by like written notice. The Parties may also agree to give and receive notice by email or other electronic means; provided that if a Party disputes delivery or receipt of an electronic notice then that Party shall bear the burden of proving that the notice was not delivered or received.

4.9 Dispute Resolution

- a. If the Parties' designated representatives cannot timely resolve a dispute under this Easement, then the following dispute resolution process shall apply:

STEP ONE. KCHA's SVP of Development and Asset Management and the County's Metro Transit Capital Division Manager or their designees shall confer and attempt to resolve the dispute within ten (10) business days of written notification by either Party.

STEP TWO. In the event KCHA's and the County's Metro Transit Capital Division Manager or their designees are unable to resolve the dispute within ten (10) business days as provided in Step One, either Party may refer the dispute to KCHA's President and CEO and the County's Metro Transit Department General Manager or their respective designees. They shall confer and attempt to resolve the dispute within five (5) business days of receiving the referral.

- b. If the Parties are unable to resolve the dispute utilizing the process set forth in Steps One through Two above, the Parties may, by agreement, choose to submit the matter to a nonbinding mediator. The Parties shall share equally in the cost of the mediator. Neither Party shall have the right to seek relief in a court of law until and unless Steps 1 and 2 above are exhausted.
 - c. At all times during the course of such conflict or dispute resolution efforts, the Parties shall continue to diligently perform their then-existing responsibilities under this Easement.
 - d. If, at any time during the dispute resolution process, a Party fails to timely respond within twenty (20) business days to a formal dispute resolution notice from the other Party, then the nonresponding Party shall be conclusively deemed to have consented to the notifying Party's proposed resolution of the dispute; provided, that if the notifying Party knows or should have known that the nonresponsive Party did not receive the notice in question, then this conclusion shall not apply.
- 4.10 This Easement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties, and the language in all parts of this Easement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. Both Parties acknowledge and represent, as an express term of this Easement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Easement.
- 4.11 The following exhibits to this Easement are incorporated by this reference as if fully set forth herein:

- Exhibit A – Legal Description of the KCHA Property
- Exhibit B – Legal Description of the County Property
- Exhibit C – Legal Description of the Access and Utilities Easement Area
- Exhibit D – Operations Agreement

IN WITNESS WHEREOF the Parties hereto have entered into this Agreement as of the date last set forth below.

KING COUNTY

By: _____

Its: _____

Dated: _____

Approved for form:

Deputy Prosecuting Attorney

HOUSING AUTHORITY OF THE COUNTY OF KING

By: _____

Its: _____

Dated: _____

NOTARY BLOCKS APPEAR ON FOLLOWING PAGE

[illegible]

On this day personally appeared before me _____, to me known to be the _____ of **King County**, the _____ that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of **King County**, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument.

Dated: _____.

[illegible]

(Use this space for notarial stamp/seal)

Notary Public
Print Name _____
My commission expires _____

[illegible]

On this day personally appeared before me _____, to me known to be the _____ of the **King County Housing Authority**, the _____ that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of **the King County Housing Authority**, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument.

Dated: _____.

[illegible]

(Use this space for notarial stamp/seal)

Notary Public
Print Name _____
My commission expires _____

EXHIBIT A

Legal Description of KCHA Property

A tract of land being a portion of Lot 2, City of Redmond Short Plat No. SS 79-18, as recorded under King County Recording No. 7908270637, in King County, Washington, situated in the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 23, Township 25 N, Range 5 E, W.M. in King County, WA.

Commencing at the Northwest Corner of said Lot 2; thence along the North line of said Lot 2, S 89°35'54" E a distance of 377.77 feet to the TRUE POINT OF BEGINNING of the herein described tract; thence S 89°35'54" E a distance of 407.21 feet to the Northeast Corner of said Lot 2; thence S 01°08'46" W a distance of 366.85 feet to the Southeast Corner of said Lot 2; thence along the South line of said Lot 2, S 89°59'30" W a distance of 402.13 feet; thence leaving said South line, N 00°21'07" E a distance of 369.70 feet to the True Point of Beginning.

The above-described tract contains 3.42 acres more or less.

EXHIBIT B

Legal Description of County Property

Lot 1 "Transit Center" as identified in the Binding Site Plan recorded under King County Recording No. 20031222001947 with respect to Lot 2 of City of Redmond Short Plat SS 79-88.

EXHIBIT C

Legal Description of Access and Utilities Easement Area

The North 60.00 feet of Lot 1, City of Redmond Short Plat Number SS-79-18, recorded under Recording No. 7908270637, in King County, Washington.

EXHIBIT D

Operations Agreement

OPERATIONS AND MAINTENANCE AGREEMENT FOR COMMUTER FACILITIES AT THE VILLAGE AT OVERLAKE STATION

1. Background; Revisions.

- 1.1 This Operations and Maintenance Agreement (the “Operations Agreement”) is executed by and between King County Housing Authority (“KCHA”), a public body corporate and politic, and King County, a home-rule charter county and political subdivision of the State of Washington, by and through its Metro Transit Department (“County”), effective as of the date last signed below. KCHA and the County are sometimes referred to herein individually as a “Party” and together as the “Parties.”
- 1.2 The purpose of this Operations Agreement is to establish a common understanding between KCHA and the County regarding obligations to operate and maintain certain commuter parking facilities at the Village at Overlake Station Transit-Oriented Development, located at 2580 152nd Ave NE, Redmond, WA 98052, Assessor’s Parcel 8944420020 (the “KCHA Property” or “Village at Overlake Station”) and the adjoining bus loop and commuter loading area located at 2576 152nd Ave NE, Redmond, WA 98052, Assessor’s Parcel 8944420010 (the “County Property”).
- 1.3 The Village at Overlake Station is owned by KCHA and subject to a recorded easement (the “Easement”) in favor of the County for not less than 150 commuter parking stalls to be made available as further described in this Operations Agreement. Among other things, the Easement requires KCHA to operate and maintain a minimum of 150 commuter parking stalls on the KCHA Property in perpetuity, at KCHA’s sole cost and expense. A memorandum of this Operations Agreement was recorded as Exhibit C to the Easement.
- 1.4 The Easement is a “floating” easement burdening the entire KCHA Property, without a specific legal description or metes and bounds location, such that over time KCHA may relocate or revise the location of the 150 commuter parking stalls on the KCHA Property, as all set forth in more detail in the Easement. At the present time, the 150 commuter parking stalls are located on the ground floor in an existing garage built on the KCHA Property and owned, operated, and maintained by KCHA. The existing parking stall layout is illustrated in Exhibit 1 to this Operations Agreement. Those parking stalls, together with all of the other commuter parking-related improvements and betterments, including but not limited to related drive lanes, ingress and egress, lighting, and other systems located on the KCHA Property, constitute the “Commuter Parking Facilities.”

The County Property consists of the real and personal property located thereon including but not limited to the landscaping, metal sculptures, sidewalk and certain commuter-related improvements which are collectively referred to as the “Additional Transit Facilities.” The Additional Transit Facilities specifically include the sloped metal roof attached to the KCHA Property, the stairs from the passenger loading area into the existing garage, and the related transit-related facilities on, in and above the County Property (including uplighting, benches, signage and fencing). The KCHA Property

includes a bus driver comfort station/restroom (“Comfort Station”) located within the garage which is dedicated for the sole use by County bus drivers and staff and is maintained solely by the County. For purposes of this Agreement, the Comfort Station shall be deemed to be part of the Additional Transit Facilities. The Commuter Parking Facilities and the County Property are the subject of this Operations Agreement. The Parties intend to maintain the Commuter Parking Facilities and the County Property in a first-class order, condition and repair that continues the viability of those facilities for their intended purposes.

- 1.5 This Operations Agreement outlines KCHA’s primary operations and maintenance obligations with respect to the Commuter Parking Facilities currently located on the lower level in KCHA’s existing garage on the KCHA Property and the County’s primary operations and maintenance obligations with respect to the County Property. No Commuter Parking Facilities are currently located outside of the lower level of the existing garage nor on the upper level of the existing garage. If, in the future, KCHA elects to relocate the Commuter Parking Facilities, whether within the existing garage or to a new location on the Property, then the Parties will negotiate to revise and update this Operations Agreement if and to the extent needed, to reflect such new arrangement and any additional or revised operations and maintenance requirements as may be required to maintain those relocated or revised Commuter Parking Facilities in a state of good repair.
- 1.6 The Parties may also negotiate to update or revise this Operations Agreement from time to time in response to other business considerations, to reflect changes in commuter parking needs or demands, or to address changes in the Federal standards or transit industry practices that establish what constitutes a state of good repair.
- 1.7 Any revisions, amendments, or updates to this Operations Agreement, whether in furtherance of Section 1.5, or Section 1.6, or otherwise, shall be made in writing by mutual agreement of the Parties, and on no other basis. If the Parties are unable to reach agreement on a proposed revision, then the dispute resolution process set forth in Section 6 shall apply.

2. Commuter Parking Facilities; Enforcement of Parking Restrictions; Safety and Security; Signage.

- 2.1 As described in Section 1.3 and illustrated in Exhibit 1, the Commuter Parking Facilities include one hundred and fifty (150) parking stalls on the lower level of the existing parking structure, together with the drive lanes, ingress and egress, lighting, and other systems necessary to support the safe and reasonable use of those parking stalls for commuter parking purposes. These 150 parking stalls shall be available for the exclusive use of off-site park & ride commuters, and no other users, for an eight (8) hour period beginning at 5:00 a.m. and ending at 1:00 p.m. on Monday through Friday where such weekday is not a legal holiday (the “Designated Stalls”). These 150 Designated Stalls shall be marked to indicate such usage and restrictions. The remaining one hundred (100) stalls in the lower level of the existing garage, as well as the Designated Stalls outside of the Designated Stall’s exclusive use period, shall be available for shared use by off-site

park & ride commuters and by Village at Overlake Station residents, visitors and their guests on a first-come, first-served basis.

- 2.2 KCHA shall reasonably ensure that all parking stalls are being appropriately used. KCHA will accomplish this with use of warning signs, patrol, and observation, or other means necessary to monitor parking compliance. Unauthorized vehicles parked in the Designated Stalls within the restricted hours shall be subject to impoundment by KCHA. A maximum of two ticketed warnings shall be allowed before impoundment. If KCHA fails to impound improperly parked vehicles, then the County may have such vehicles impounded at the vehicle owner's expense. KCHA shall hold harmless, indemnify, and defend the County against and all complaints, lawsuits, claims, damages, costs, and expenses, arising out of or relating to towing of vehicles from the Property, including but not limited to towing of vehicles from the Commuter Parking Facilities.
- 2.3 As between the Parties, KCHA shall be solely responsible for safety and security on the KCHA Property, including in connection with the Commuter Parking Facilities and the County shall be solely responsible for safety and security at the County Property. Each Party shall take all reasonable steps to ensure the safety and security of off-site park & ride commuters and other garage users and vehicles in or on their respective sites. Each Party shall immediately investigate and report to the Redmond Police any and all major incidents concerning the personal security and safety of transit customers on their respective sites, and shall notify the King County Chief of Transit Police of any major incident within 24 hours. Major incidents include, but are not limited to, the following:
 1. Homicide
 2. Rape
 3. Arson
 4. Assault and/or Battery
 5. Robbery
 6. Major Vandalism
 7. Bomb threats
 8. Auto theft
 9. Hate crime offenses
 10. Any other serious injury
- 2.4 The Parties acknowledge that the Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and regulations and guidelines promulgated thereunder, as all of the same may be amended and supplemented from time to time (collectively referred to herein as the "ADA") establish requirements under Title III of the ADA ("Title III") pertaining to business operations, accessibility and barrier removal, and that such requirements may be unclear and may or may not apply to the Commuter Parking Facilities and the County Property depending on, among other things: (1) whether each is deemed a "place of public

accommodation" or a "commercial facility," (2) whether compliance with such requirements is "readily achievable" or "technically infeasible," and (3) whether a given alteration affects a "primary function area" or triggers so-called "path of travel" requirements. The Parties acknowledge and agree that each Party shall be individually and solely responsible for ensuring ADA compliance as it relates to their separate property.

- 2.5 Each Party agrees to immediately notify the other Party of any material hazardous substance spills that occur or are detected on its site. The Parties shall establish points of contact available 24 hours a day, 7 days a week for communications regarding hazardous substance spills. As between the Parties, 1) KCHA shall be obligated to respond to, and to clean up, all hazardous substance spills on or at the Commuter Parking Facilities, including any such spills arising out of or relating to off-site commuter use of the Commuter Parking Facilities for park-and-ride purposes or other related uses; and 2) the County shall be obligated to respond to, and to clean up, all hazardous substance spills on or at the County Property. The duties under this Section 2.5 are in addition to, and do not reduce or alter, a Party's duties under separate easements agreed to between the Parties.
- 2.6 As between the Parties, i) KCHA shall maintain all exterior and interior signage relating to the Commuter Parking Facilities, and shall be responsible to manufacture and replace any related lost, stolen, removed, or damaged signs, and ii) the County shall maintain all signage relating to the County Property, and shall be responsible to manufacture and replace any related lost, stolen, removed, or damaged signs. KCHA may request that the County manufacture any replacement signs and the Parties may separately contract for the County to do so at KCHA's sole cost and expense, at the County's then-applicable "fully loaded" rate for labor and materials.
- 2.7 KCHA shall maintain the existing monument sign and related ornamental landscaping located at the 152nd NE street entrance to the Village at Overlake Station. KCHA may place directional and promotional signage as necessary within the County Property, subject to negotiation by the Parties and provided that installation and placement of such signage does not interfere with the County's transit operations. If KCHA fails to maintain any signage or ornamental landscaping addressed under this Section 2.7, then the County shall provide KCHA with notice of such deficiency and an opportunity to cure. If KCHA fails to timely cure or to commence to cure such deficiency, then the County may cure the deficiency and charge KCHA for all necessary costs at the County's then-applicable "fully loaded" rate for labor and materials; and upon receipt of the County's invoice for such costs KCHA shall promptly pay the same.

3. KCHA's General Operations and Maintenance Obligations.

- 3.1 As between the Parties, KCHA is solely responsible for the management, operations, maintenance, and repair of the Commuter Parking Facilities, except as specifically set forth in this Operations Agreement. As between the Parties, all costs and expenses associated with the Commuter Parking Facilities or any replacement or relocated facilities shall be borne by KCHA.

- 3.2 KCHA shall supervise the daily operation of the Commuter Parking Facilities. These obligations include, but are not limited to:
- A. Enforcement of rules regarding park & ride and residential parking stall use, consistent with Section 2 of this Operations Agreement and the Easement;
 - B. Enforcement of ADA stall use;
 - C. Removal of blocking vehicles;
 - D. Removal of abandoned vehicles;
 - E. Monitoring the garage for persons who have no legitimate purpose in the facility;
 - F. Responding to personal injuries and property damage reported or observed in the parking garage; and
 - G. Maintaining the Commuter Parking Facilities in a state of good repair, including but not limited to the duties and tasks set forth in this Operations Agreement.
- 3.3 KCHA shall regulate and monitor parking for the entire Property. If requested by the County, KCHA will prepare a parking utilization report (but not more often than once every six months) and provide it to the County. The data and information to be collected by KCHA should include but not be limited to: Actual parking demand for tenant vehicles and off-site park and ride vehicles; reported violations; towing activities; safety incidents; maintenance issues; etc.
- 3.4 Without limiting KCHA's duties under any of the foregoing subsections of this Section 3, the County shall have the right to inspect and monitor the Commuter Parking Facilities for the County's own purposes, including but not limited to: Assess KCHA's performance under this Operations Agreement; monitor park & ride commuter use of the Commuter Parking Facilities; and to evaluate the Commuter Parking Facilities for compliance with state of good repair requirements. The County may inspect the Commuter Parking Facilities with or without notice to KCHA; provided, that except in the event of an emergency, the County shall not inspect the Commuter Parking Facilities on any legal holiday. In the event of an emergency the County may inspect the Commuter Parking Facilities at any time in the County's sole discretion, provided that the County shall notify KCHA of such emergency inspection at the County's earliest opportunity.
4. **Maintenance Schedule and Tasks.**
- 4.1 As between the Parties, and without limiting the other provisions of this Operations Agreement, KCHA shall adopt and continue in effect at all times a maintenance, repair and replacement schedule for the Commuter Parking Facilities that will meet all applicable standards, rules, regulations, and underwriting requirements, which schedule shall be at least as prescriptive as Schedule 1 attached hereto. If the County becomes aware of a condition involving damage to the parking structure or the other Commuter Parking Facilities, or if a concern arises regarding safety of off-site park & ride commuters with regard to the parking structure or the other Commuter Parking Facilities, and which reasonably requires repair, then the County will notify KCHA of such

condition and request a repair. If, within ten (10) business days of such notice, KCHA fails to respond or effect such repairs or maintenance as will correct the condition and then continues to fail to respond or effect such repairs or maintenance within ten (10) business days after a second such notice, then the County will have the right to implement such repairs and obtain reimbursement from KCHA for all costs and expenses of the same.

- 4.2 The Parties' Designated Representatives may revise or update Schedule 1 or 2 from time to time in writing by mutual agreement. If the Parties are unable to agree on proposed revisions or updates to Schedule 1 or 2 in the ordinary course of business, then they shall engage in the dispute resolution process under Section 6.9 of this Operations Agreement.

5. County's Operations and Maintenance Obligations.

As between the Parties, the County is solely responsible for the management, operations, maintenance, and repair of the County Property, including the Additional Transit Facilities, in a first class order, condition and repair that continues its viability for its intended purpose, except as specifically set forth in this Operations Agreement. As between the Parties, all costs and expenses associated with the County Property, or any replacement facilities, shall be borne by the County. Without limiting the other provisions of this Operations Agreement, the County shall continue in effect at all times a maintenance, repair and replacement schedule for the County Property that shall be at least as prescriptive as Schedule 2 attached hereto. If a condition involving the maintenance or operation of the Overlake Transit Center or Additional Transit Facilities arises which reasonably requires repair or maintenance, KCHA will provide the County notice of such condition and a request for repair or maintenance. If, within ten (10) business days of such notice, the County fails to respond or effect such repairs or maintenance as will correct the condition and then continues to fail to respond or effect such repairs or maintenance within ten (10) business days after a second such notice, then KCHA will have the right to effect such repairs or maintenance and obtain reimbursement from the County for the cost of same. Costs associated with the operations, maintenance and repair of any joint use utilities will be allocated appropriately.

The County shall furnish all labor, equipment and supplies necessary for the proper performance of the maintenance service and may procure these services from a third party vendor specializing in facilities maintenance. Scope of work is set out in Schedule 2.

The County shall reasonably supervise the County Property. These obligations include, but are not limited to:

- A. Insuring safe and appropriate use of the County Property.
- B. Responding to citizen and transit user concerns and complaints regarding transit services, or the use or condition of the County Property, specifically including the Additional Facilities.
- C. Preventing and responding to personal or properties injuries or threats to public safety

that may or actually occur in the County Property.

The County shall cooperate to minimize the impacts of transit operations in and around the County Property, such as noise and air pollution from buses that may adversely affect housing residents' peaceful enjoyment of the KCHA Property.

6. Administration

6.1 Amendment and Revision Process.

As provided in Section 1.7, this Operations Agreement may be amended by mutual agreement of the Parties. If the Parties are unable to agree on proposed amendments to this Operations Agreement in the ordinary course of business, then they shall engage in the dispute resolution process under Section 6.9 of this Operations Agreement.

6.2. Indemnity

6.2.1 Each Party shall indemnify, defend, and save harmless the other Party and its officers, agents, employees, successors, and assigns, from and against any and all liability, including any and all suits, claims, actions, administrative proceedings, losses, costs, penalties, response costs, attorneys' fees, expert witness fees, injuries, or damages of whatsoever kind or nature (collectively, "claims"), arising out of or relating to: (i) the indemnifying Party's performance of, or failure to perform, its duties and obligations under this Operations Agreement; and (ii) the indemnifying Party's negligent or intentional acts or omissions in connection with this Operations Agreement, or its property. An indemnifying Party's obligations under this Section 6.2.1 includes the duty to promptly accept tender of defense and to provide defense to the indemnified Party at its own expense for any claim covered by this Section 6.2.1.

6.2.2 The indemnification in Section 6.2.1 is specifically and expressly intended to include, but is not limited to, all claims against the indemnified Party by the indemnifying Party's respective employees, former employees, consultants, contractors, or subcontractors; and the indemnifying Party expressly waives, as respect the indemnified Party only, all immunity and limitation on liability under any industrial insurance act including Title 51 RCW, to the extent necessary to provide the other Party with a complete indemnity for the actions of the indemnifying Party's officers, agents, employees, consultants, contractors, subcontractors or any of their respective officers, agents or employees. This indemnification has been the subject of specific negotiation between the Parties.

6.2.3 In the event it is determined that R.C.W. 4.24.115 applies to this Operations Agreement or activities contemplated herein, the indemnifying Party agrees to defend, hold harmless, and indemnify the indemnified Party to the maximum extent permitted thereunder, and specifically for its negligence concurrent with that of the indemnified Party to the full extent of the indemnifying Party's negligence.

6.2.4 If the indemnified Party incurs attorneys' fees, legal expenses, or other costs to enforce the provisions of this Section 6.2 and is successful in enforcing the provisions of this Section 6.2,

then all such fees, expenses, and costs shall be recoverable from the indemnifying Party.

6.3. Environmental.

Environmental matters are addressed in Section 4 of the Easement, which section is incorporated by this reference as if fully set forth herein. KCHA's hazardous materials obligations under this Operations Agreement are in addition to, and do not reduce or alter, KCHA's environmental obligations under Section 4 of the Easement.

6.4 Insurance

- a. These insurance requirements are intended to supplement, and not to replace, the insurance requirements set forth in Article C.5 of the Easement. If there is any conflict or ambiguity as between these insurance requirements and those set forth in Article C.5 of the Easement, then Article C.5 shall control.
- b. KCHA shall procure and maintain, for the duration of this Operations Agreement, insurance or coverage against claims for injuries to persons or damages to property which may arise from or in connection with any and all uses of the parking garage, the Commuter Parking Facilities, or the acts or omissions of KCHA, its agents, representatives, employees, contractors and/or subcontractors, residents, and off-site park-and-ride commuter users.
- c. By requiring such minimum insurance coverage, the County shall not be deemed or construed to have assessed the risks that may be applicable to KCHA. KCHA shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.
- d. Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained within these insurance requirements shall affect and/or alter the application of any other provision contained within the Easement or this Operations Agreement.
- e. For All Coverages: The cost of such insurance shall be paid by KCHA. Each insurance policy shall be written on an "Occurrence Form."
- f. Minimum Scope and Limits of Insurance: Coverage shall be at least as broad as:
 - i. General Liability: Insurance Services Office form number CG 0001 (Ed. 11-88) covering COMMERCIAL GENERAL LIABILITY. KCHA shall maintain limits no less than \$3,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
 - ii. Automobile Liability: Insurance Services Office form number (CA 00 01 Ed. 12-

90 or its equivalent) covering BUSINESS AUTO COVERAGE, symbol 1 “any auto”, or the combination of symbols 2, 8 and 9. Limits shall be no less than \$1,000,000. Combined Single Limit Bodily Injury and Property Damage.

- iii. Workers Compensation: Workers Compensation coverage, as required by the Industrial Insurance Act of the State of Washington.
- iv. Employers Liability or “Stop-Gap”: The protection by the Workers Compensation policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the “Stop-Gap” endorsement to the General Liability policy. Limits shall be no less than \$2,000,000.
- g. Deductibles and Self-Insured Retentions: The deductible and/or self-insured retention of the policies shall not limit or apply to KCHA's liability to King County and shall be the sole responsibility of KCHA.
- h. Other Insurance Provisions: The insurance policies required in this Operations Agreement are to contain, or be endorsed to contain the following provisions:
 - i. All Liability policies except Workers Compensation:
 - (A) King County, its officers, officials, employees and agents are to be covered as insured as respects liability arising out of activities performed by or on behalf of KCHA in connection with this Operations Agreement, but specifically excluding the acts or omissions of King County officers, officials, employees and agents in the parking garage or in or on the Commuter Parking Facilities.
 - (B) Insurance coverage shall be primary insurance as respects King County, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by King County, its officers, officials, employees or agents should not contribute with KCHA's insurance or benefit KCHA in any way.
 - (C) KCHA's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.
 - ii. All Policies: Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits prior to the expiration date of this Operations Agreement, unless forty-five (45) days prior notice, return receipt requested, has been given to King County.
- i. Acceptability of Insurers: Unless otherwise approved by King County, insurance is to be placed with insurers with a Bests' rating of no less than A: VIII, or, if not rated with Bests', with minimum surpluses the equivalent of Bests' surplus size VIII.
- j. Verification of Coverage: KCHA shall furnish KCHA with certificates of insurance and

endorsements required by this Operations Agreement. King County reserves the right to require complete, certified copies of all required insurance policies at any time.

- k. Municipal or State Agency Provision: If KCHA is self-insured for any of the above insurance requirements, then a valid certification of self-insurance shall be attached hereto and be incorporated by reference and shall constitute compliance with this section.

6.5. Taxes.

As between the Parties, KCHA shall be solely responsible for all taxes, fees, and charges arising out of or relating to the Property, including without limitation the existing parking garage and the Commuter Parking Facilities, except for such taxes, fees, and charges as may separately accrue to the County in connection with the Easement or the County Property. Each Party shall pay on a current basis all taxes or assessments, if any, levied on its activities and property in connection with this Operations Agreement; provided, however, that nothing contained herein shall modify such Party's right to contest any such tax, nor shall it be deemed to be in default as long as it shall, in good faith, be contesting the validity or amount of any such taxes.

6.6. Notice.

- a. Any and all notices or other communications required or permitted to be given under any of the provisions of this Easement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier, or two (2) days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. A courtesy copy may be sent by email to the Parties' respective designated representatives, but such email copy shall not constitute official notice for purposes of this Section 6.6. The Parties may also agree to give and receive notice by email or other electronic means; provided that if a Party disputes delivery or receipt of an electronic notice then that Party shall bear the burden of proving that the notice was not delivered or received.
- b. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as the Parties may specify by notice and given as provided herein:

If to the COUNTY: King County Metro
201 South Jackson Street, KSC-TR-0431
Seattle, WA 98104
Attn: Real Estate

With a copy to: Manager, Real Estate Services
401 5th Avenue, Suite 930
Seattle, WA 98104

If to KCHA: President and CEO
600 Andover Park West
Tukwila, WA 98188

With copies to:

SVP of Development and Asset Management; and
SVP of Asset Management

6.7 Designated Representatives

Each Party shall designate a representative to be its primary point of contact for administration of this Operations Agreement, including the initial steps of Dispute Resolution under Section 6.9. The Parties may change their designated representative from time to time by giving notice consistent with Section 6.6 above. The Parties' initial designated representative are as follows:

For King County: Adé Franklin, Director of Metro Facilities Maintenance Division

For KCHA: Tim Walter, SVP of Development and Asset Management

6.8 Annual Meeting and Review

During the first five years that this Operations Agreement is in effect, the Parties' designated representatives shall meet at least once per year to discuss the Commuter Parking Facilities, to review this Operations Agreement and the Schedules, and to update or revise this Operations Agreement and the Schedules as needed. The meeting may be in person, or by such electronic means as the designated representatives deem appropriate. After the first five year-period, the Parties shall meet on such basis as they may deem appropriate.

6.9 Dispute Resolution

- a. If the Parties' designated representatives cannot timely resolve a dispute under this Operations Agreement, then the following dispute resolution process shall apply:

STEP ONE. KCHA's designated representative and the County's Metro Transit Capital Division Manager or their designees shall confer and attempt to resolve the dispute within ten (10) business days of written notification by either Party.

STEP TWO. In the event KCHA's designated representative and the County's or their designees are unable to resolve the dispute within ten (10) business days as provided in Step One, either Party may refer the dispute to KCHA's Chief Executive Officer and the County's Metro Transit Department General Manager or their respective designees. They shall confer and attempt to resolve the dispute within five (5) business days of receiving the referral.

- b. If the Parties are unable to resolve the dispute utilizing the process set forth in Steps One through Two above, the Parties may, by agreement, choose to submit the matter to a non-binding mediator. The Parties shall share equally in the cost of the mediator. Neither Party shall have the right to seek relief in a court of law until and unless Steps 1 and 2 above are exhausted.
- c. At all times during the course of such conflict or dispute resolution efforts, each Party shall continue to diligently perform its then-existing responsibilities under this Operations Agreement.
- d. If, at any time during the dispute resolution process, a Party fails to timely respond within twenty (20) business days to a formal dispute resolution notice from the other Party, then the nonresponding Party shall be conclusively deemed to have consented to the notifying Party's proposed resolution of the dispute; provided, that if the notifying Party knows or should have known that the nonresponsive Party did not receive the notice in question, then this conclusion shall not apply.

7. GENERAL CONDITIONS

7.1 Powers of King County or KCHA.

Nothing contained in this Operations Agreement shall be considered or interpreted to diminish the governmental or police powers of King County or the King County Housing Authority.

7.2 Non-Waiver.

The failure of either Party to enforce any provision of this Operations Agreement shall not be construed as a waiver or limitation of that Party's right subsequently to enforce and compel strict compliance with every provision of this Operations Agreement.

7.3. Legal Relations.

Nothing contained herein shall make, or be deemed to make, King County or KCHA a partner of one another, and this Operations Agreement shall not be construed as creating a partnership or joint venture. This Operations Agreement shall create no right, duty, or cause of action in any person or entity not a party to it.

7.4. Washington Law Controlling; Where Actions Brought; Attorney Fees and Costs.

This Operations Agreement is issued under and governed by the laws of the State of Washington, which shall be controlling in any dispute that arises hereunder. Actions pertaining to this Operations Agreement shall be brought in King County Superior Court, King County, Washington. If either Party brings an action to enforce the terms of this Operations Agreement, in any such action the substantially prevailing party shall be entitled to an award of its reasonable attorneys' fees and reasonable costs. Said costs and attorneys' fees shall include, without limitation, costs and attorneys' fees incurred in any appeal or in any proceedings under any

present or future federal bankruptcy, forfeiture or state receivership or similar law.

7.5. Section Headings.

The section headings contained herein are only for convenience and reference and are not intended to be a part of this Operations Agreement or in any manner to define, limit, or describe the scope or intent of this Operations Agreement or the particular sections to which they refer.

7.6. Singular and Plural.

Wherever the context shall so require, the singular shall include the plural and the plural shall include the singular.

7.7. Interpretation.

The County and KCHA have each been represented by legal counsel in connection with the negotiation, execution and delivery of this Operations Agreement. Each of the provisions of this Operations Agreement has been reviewed and negotiated, and represents the combined work product of both Parties hereto. No presumption or other rules of construction which would interpret the provisions of this Operations Agreement in favor of or against the Party preparing the same shall apply in connection with the construction or interpretation of any of the provisions of this Operations Agreement.

7.8. Severability.

If a court of competent jurisdiction determines that any provision of this Operations Agreement is invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable unless striking such provision materially alters the intention of the Parties. If a court of competent jurisdiction finds that any provision of this Operations Agreement is invalid or unenforceable, but that by limiting such provisions it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

7.9. Counterparts.

This Operations Agreement may be executed in counterparts, each of which shall be deemed the original, but which together shall constitute one and the same instrument.

7.10. Nondiscrimination.

With respect to the Parties' rights and obligations under this Operations Agreement, the County and KCHA shall not discriminate on the basis of sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression, status as a family caregiver, military status or status as a veteran who was honorably discharged or who was discharged solely as a result of the person's sexual orientation or gender identity or expression, or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the

administration or delivery of services or any other benefits under King County Code Chapter 12.16, as now codified and as hereafter amended. The County and KCHA shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, King County Charter Section 840, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this Section 7.10 shall be considered a default of this Easement.

7.11. Easement Unaffected; Order of Precedence.

All capitalized terms used in this Operations Agreement and not specifically defined herein shall have the meaning or meanings given to them in the Easement. If there is any conflict or ambiguity between this Operations Agreement and the Easement, then the Easement shall control. If there is any conflict or ambiguity between this Operations Agreement and the Schedules attached hereto, this Operations Agreement shall control.

7.12 Exhibits.

The following exhibits or attachments are attached to this Operations Agreement:

- a. Exhibit 1, illustration of Commuter Parking Facilities
- b. Schedule 1, list of KCHA maintenance tasks and intervals
- c. Schedule 2, list of County maintenance tasks and intervals

EXECUTED by and between King County Housing Authority and King County effective as of the date last set forth below.

King County Housing Authority

King County

Date: _____

Date: _____

APPROVED FOR FORM:

Deputy Prosecuting Attorney

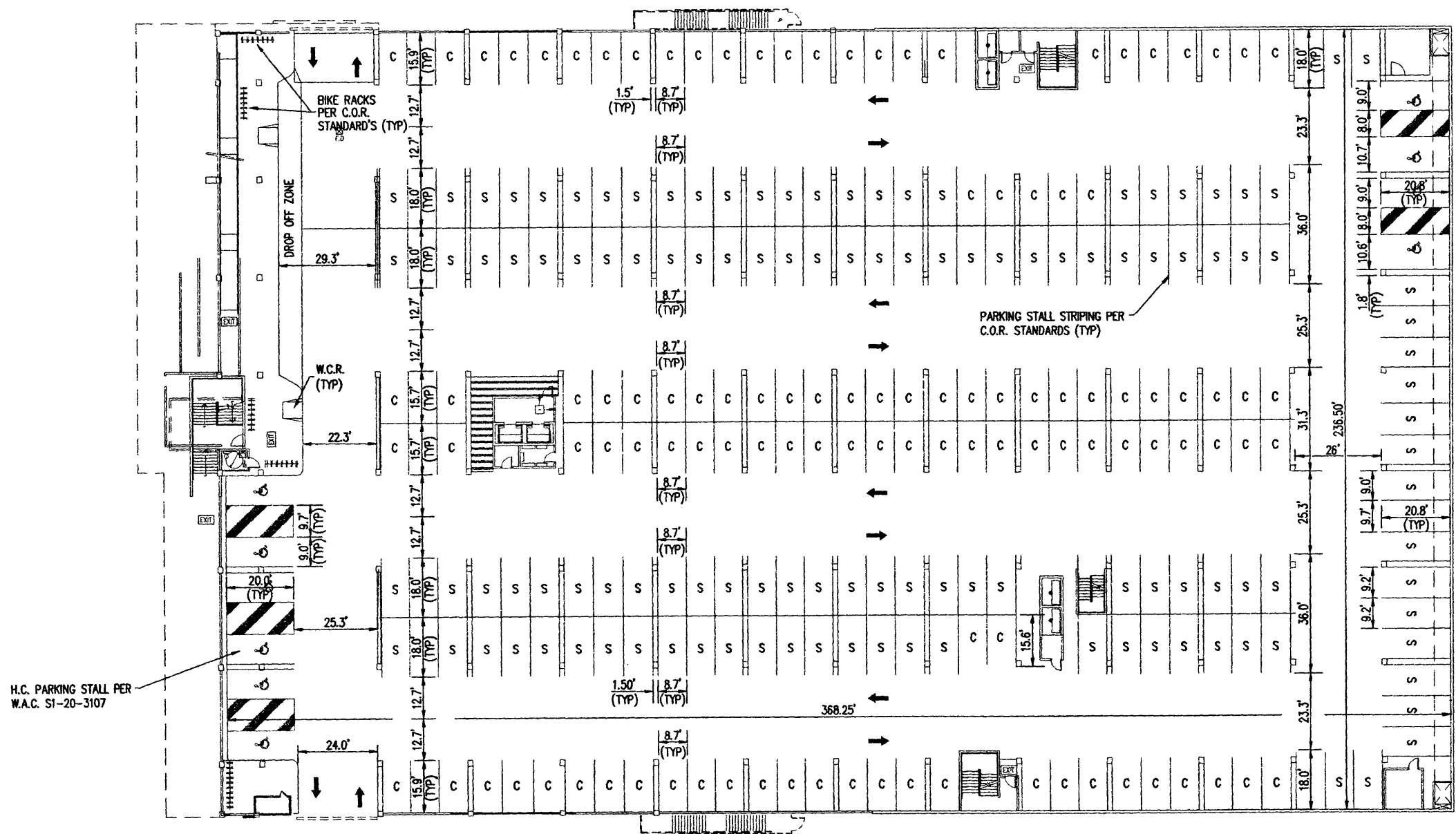
OPERATIONS AND MAINTENANCE AGREEMENT FOR KCHA COMMUTER PARKING
FACILITIES AT OVERLAKE VILLAGE

EXHIBIT 1

Illustration of Commuter Parking Facilities

[To be inserted]

NOTES: JOB # 99195.15 XREFS: VELDEC, DFRDXTB, DFRXGL, JOB NAME OVERLAKE TOD X/CIVIL H-P-D/OVERLAKE TOD (99195)X/PERMIT DOCS\DESIGN\DRPKG\GOLDW\ PLOTTED DATE & TIME MAR 10, 2000 14:52:22 PM FILE PATH & NAME H:\P\OVERLAKE TOD (99195)X\PERMIT DOCS\DESIGN\DRPKG\GOLDW\ PLOT VIEW DFRCECF 1:1 LEIFN



LOWER FLOOR PARKING

- UNDERGROUND PARKING PLAN LEGEND**
- C - COMPACT PARKING STALL
 - S - STANDARD SIZE PARKING STALL
 - WCR WHEEL CHAIR/CURB RAMP PER CITY STANDARD DETAIL No. 310.
 - Handicap symbol HANDICAP STALL PER WAC 51-20-3107. WSDOT/APWA STD. PLAN F-3 FOR STRIPING AND SIGNAGE DETAILS. BUMPER CURB PER WSDOT/APWA STD. PLAN F-1. STALL DIMENSIONS PER PLAN.

PARKING TOTALS

STANDARD	129
COMPACT	115
HANDICAP	10
TOTAL	254

C.O.R. SPR FILE No. SPR 99-029

APPROVED FOR CONSTRUCTION

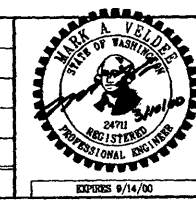
Carol Osborne Director Of Public Works City Of Redmond	Plan Chk Engr. _____ For Sheet(s) _____ Stm Drn Engr. _____ Util Engr. _____ Fire Engr. _____ Trans Engr. _____ Planning Dept. _____
Date: _____	

This approval is for the design only. These plans appear to be in conformance with the City Of Redmond design standards for construction. This approval shall not be construed as authorizing construction not in accordance with applicable City standards. The City reserves the right to require revisions to the approved plans to assure conformance with City Of Redmond design standards for construction at any time that it is discovered that the proposed construction does not otherwise meet the applicable construction standards. The owner is required to provide designs and plans in accordance with applicable City standards and assures that construction is accomplished in accordance with those standards. The owner and/or design engineer and/or developer, as the case may be, is required to make necessary approved field revisions to correct any errors or omissions found on the approved plan.

201095

CALL 48 HOURS BEFORE YOU DIG
1-800-424-5555

NO.	DATE	BY	CHKD.	APPR.	REVISION
	03/13/00				1ST SUBMITAL - PERMIT AND CONSTRUCTION PLANS



DRAWN BY CDK	DATE 13MAR00	SCALE: HORIZ. 1" = 20'
DESIGNED BY ARS	13MAR00	VERT. _____
CHECKED BY TJ	13MAR00	JOB NO.: 99195.2
APPROVED BY MAV	13MAR00	

kptt Consulting Engineers
1201 Third Avenue, Suite 900
Seattle, Washington 98101
(206) 622-5822 Fax (206) 622-8130
Page 357

OVERLAKE TRANSIT ORIENTED DEVELOPMENT
REDMOND, WASHINGTON
PERMIT AND CONSTRUCTION PLANS
UNDERGROUND PARKING PLAN (LOWER)

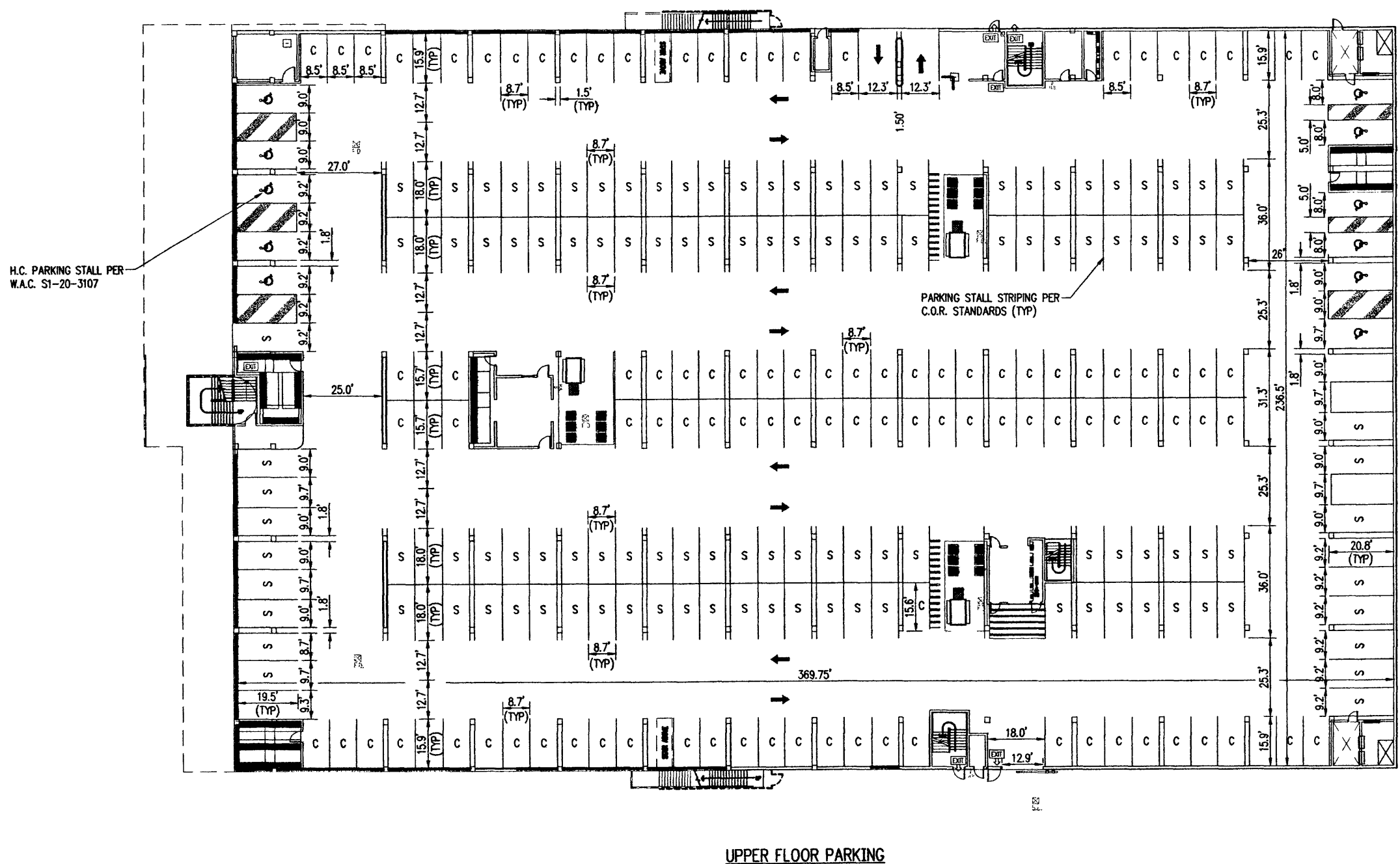
SHEET
C6.1

June 11, 2025

NOTES: JOB # 99195.15 JOB NAME OVERLAKE TOD X\CIVIL H-P\OVERLAKE TOD (99195)\PERMIT DOCS\DESIGN\DRPG02.DWG FILE PATH & NAME X\CIVIL H-P\OVERLAKE TOD (99195)\PERMIT DOCS\DESIGN\DRPG02.DWG PLOTTED DATE & TIME MAR. 10, 2000 15:51 PM UPDATED BY/PLLOT SCALE 1"=1' PLOT VIEW DPROCEP PLOT

03/13/00 1ST SUBMITAL - PERMIT AND CONSTRUCTION PLANS

NO. DATE BY S CHD. APPR. REVISION



UPPER FLOOR PARKING

- UNDERGROUND PARKING PLAN LEGEND**
- C - COMPACT PARKING STALL
 - S - STANDARD SIZE PARKING STALL
 - WCR - WHEEL CHAIR/CURB RAMP PER CITY STANDARD DETAIL No. 310.
 - Handicap symbol - HANDICAP STALL PER WAC 51-20-3107. WSDOT/APWA STD. PLAN F-3 FOR STRIPING AND SIGNAGE DETAILS. BUMPER CURB PER WSDOT/APWA STD. PLAN F-1. STALL DIMENSIONS PER PLAN.

PARKING TOTALS

STANDARD	126
COMPACT	108
HANDICAP	11
TOTAL	244

C.O.R. SPR FILE No. SPR 99-029

APPROVED FOR CONSTRUCTION

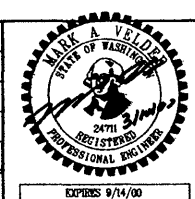
Carol Osborne Director Of Public Works City Of Redmond	Plan Chk Engr. For Sheet(s) Stm Drn Engr. Util Engr. Fire Engr. Trans Engr. Planning Dept.
--	--

Date: _____

This approval is for the design only. These plans appear to be in conformance with the City Of Redmond design standards for construction. This approval shall not be construed as authorizing construction not in accordance with applicable City standards. The City reserves the right to require revisions to the approved plans to assure conformance with City Of Redmond design standards for construction at any time that it is discovered that the proposed construction does not otherwise meet the applicable construction standards. The owner is required to provide designs and plans in accordance with applicable standards and assures that construction is accomplished in accordance with those standards. The owner and/or design engineer and/or developer, as the case may be required to make necessary approved field revisions to correct any errors or omissions found on the approved plan.

201096

CALL 48 HOURS BEFORE YOU DIG
1-800-424-5555



DRAWN BY CDK 13MAR00
DESIGNED BY ARS 13MAR00
CHECKED BY TJ 13MAR00
APPROVED BY MAV 13MAR00

SCALE:
HORIZ. 1" = 20'
VERT. 1" = 10'
JOB NO.: 99195.2

kpft Consulting Engineers
1201 Third Avenue, Suite 900
Seattle, Washington 98101
(206) 622-5822 Fax (206) 622-8130
Page 358

OVERLAKE TRANSIT ORIENTED DEVELOPMENT
REDMOND, WASHINGTON
PERMIT AND CONSTRUCTION PLANS
UNDERGROUND PARKING PLAN (UPPER)

SHEET
C6.2

June 11, 2025

OPERATIONS AND MAINTENANCE AGREEMENT FOR KCHA COMMUTER PARKING FACILITIES AT VILLAGE AT OVERLAKE STATION

SCHEDULE 1

Commuter Parking Facilities Minimum Maintenance Tasks and Intervals

1 Grounds.

- 1.1 Scope of work: General-- All commuter-related parking areas including surfaces, walls, railings, curbs, drive aisles, displays, signs, or other improvements, located in or on the Village at Overlake Station parking garage and its sidewalks, entrances, and exits associated with the Designated Spaces as defined in the Operations Agreement (collectively, the “Commuter Parking Facilities”) shall be well maintained and kept clean and free of all dirt, debris, contaminants and litter including papers, wrappers, containers, stickers, flyers, cigarette butts, food and beverage spills, graffiti, leaves and other material. Sweeping, pickup, and/or disposal of dirt, debris, contaminants, and litter within and around the Commuter Parking Facilities shall be performed five times per week or as needed to maintain a similarly clean facility.
- 1.2 Landscaped areas-- Any landscaped areas immediately adjacent to the Commuter Parking Facilities on the KCHA Property shall be kept free of weeds and covered annually with ground bark. Plantings, shrubs and ornamental trees immediately around the Commuter Parking Facilities on the KCHA Property shall be fertilized and pruned regularly but no less than annually. Dead or dying plantings, shrubs, and ornamental trees, once established, shall be replaced by KCHA.

2. Commuter Parking Facilities Maintenance.

- 2.1 KCHA shall furnish all labor, equipment and supplies necessary for the proper performance of Commuter Parking Facilities maintenance. Supplies include, but are not limited to, cleaners, detergents, floor polish, disinfectants, vacuum cleaners, dust cloths, wet and dry mops, waxes, buffing machines, plastic bags, graffiti removal agents, and trash can liners.
- 2.2 Immediate response scope of work: Offensive Graffiti shall be removed within 24 hours of it being reported or seen. For this purpose, “offensive graffiti” is defined as: Racially or ethnically derogatory words or markings; words generally considered profane or socially unacceptable; or pictures/drawings of an obscene nature.
- 2.3 Daily scope of work: the following shall be reviewed five times a week and performed, if and as needed to maintain a similarly clean facility.
 - Pick up all paper, cigarette butts, beverage containers, and other debris from floor of garage
 - Sweep floors as needed

- Sweep stairs and clean handrails
 - Empty trash receptacles and replace liners
 - Remove stickers, flyers and other unauthorized advertising, and graffiti from all surfaces including the exterior of building.
 - Replace broken or burned out light fixtures.
 - Remove accumulated snow, ice, and water in and around the garage and access areas as necessary. No chloride products shall be used.
 - Replace broken, missing or damaged signs.
- 2.4 Weekly scope of work: the following shall be done on a weekly basis or as needed to maintain a similarly clean facility:
- Sweep the entire garage and/or hose clean
 - Dust light fixtures, wash glass on security monitors
- 2.5 Twice annual scope of work: the following shall be done twice annually or as needed to maintain a similarly clean facility:
- Pressure wash or hose off food and beverage spills
 - Pressure wash stairs
 - Remove/clean grease and oil spills using spill kit.
- 2.6 Annual scope of work: the following shall be done on an annual basis or as needed to maintain a similarly clean facility:
- Wash all light fixtures
 - Restripe parking stalls
 - Repaint and maintain stall and traffic markings

OPERATIONS AND MAINTENANCE AGREEMENT FOR COUNTY PROPERTY,
INCLUDING ADDITIONAL TRANSIT FACILITIES

SCHEDULE 2

Minimum Maintenance Tasks and Intervals

1 Grounds.

- 1.1 Scope of work: General-- All public spaces including surfaces, walls, railings, curbs, benches, streets, public art or other displays, signs, or other improvements, located in or on the County Property, Additional Transit Facilities and related sidewalks, entrances, and exits (collectively, the "County Commuter Facilities") shall be well maintained and kept clean and free of all dirt, debris, contaminants and litter including papers, wrappers, containers, stickers, flyers, cigarette butts, food and beverage spills, graffiti, leaves and other material. Sweeping, pickup, and/or disposal of dirt, debris, contaminants, and litter within and around the County Commuter Facilities shall be performed five times per week or as needed to maintain a similarly clean facility.
- 1.2 Landscaped areas-- Any landscaped areas on the County Property shall be kept free of weeds and covered annually with ground bark. Plantings, shrubs and ornamental trees within the County Property shall be fertilized and pruned regularly but no less than annually. Dead or dying plantings, shrubs, and ornamental trees, once established, shall be replaced by the County.

2 County Commuter Facilities Maintenance.

- 2.1 The County shall furnish all labor, equipment and supplies necessary for the proper performance of County Commuter Facilities maintenance and may procure these services from a third party vendor specializing in facilities maintenance. Supplies include, but are not limited to, cleaners, detergents, floor polish, disinfectants, vacuum cleaners, dust cloths, wet and dry mops, waxes, buffing machines, plastic bags, graffiti removal agents, and trash can liners.
- 2.2 Immediate response scope of work: Offensive or gang related graffiti and signs of vandalism shall be removed or repaired within 24 hours of it being reported or seen. For this purpose, "offensive graffiti" is defined as: Racially or ethnically derogatory words or markings; words generally considered profane or socially unacceptable; or pictures/drawings of an obscene nature.
- 2.3 Daily scope of work: the following shall be reviewed five times a week and performed, if and as needed to maintain a similarly clean facility.
- Pick up all paper, cigarette butts, beverage containers, and other debris.
 - Remove stickers, flyers and other unauthorized advertising, and graffiti from all surfaces including the exterior of building.

- Sweep and mop floors as needed.
- Dust and vacuum light and fan grills as needed.
- Clean exterior doors, stairs, and handrails.
- Remove food and beverage spills and gum.
- Empty trash receptacles and replace liners.
- Replace broken or burned out light fixtures.
- Remove accumulated snow, ice, and water in and around passenger loading areas as necessary. No chloride products shall be used.
- Replace broken, missing or damaged signs.

2.4 Weekly scope of work: the following shall be done on a weekly basis or as needed to maintain a similarly clean facility:

- Pressure wash or hose off food and beverage spills
- Dust light fixtures, wash glass on security monitors

2.5 Drivers' Comfort Station. The County is responsible for cleaning, maintaining and supplying the Drivers' Comfort Station.

2.6 Passenger Loading Area. The following shall be done quarterly or as needed to maintain a similarly clean facility:

- Clean and maintain all transit shelters and covered walkways including frames, footings, roofs, benches, panels/windcreens, lighting and railings.
- Maintain and clean all paved areas, including sweeping and litter pick-up at least five (5) times a week.
- Perform emergency repairs within the transit shelters and passenger loading area.

2.7 Information, Signage and Artwork

- Maintain and stock all transit information signage and receptacles and maintain public artwork consistent with 4Culture guidelines.

2.8 Monthly scope of work: the following shall be done quarterly or as needed to maintain a similarly clean facility:

- Transit Loop and Entrance Driveway shall be pressure washed and cleaned as necessary to remove dirt, leaves, grease and accumulated oil

2.9 Twice annual scope of work: the following shall be done twice annually or as needed to maintain a similarly clean facility:

- Pressure wash stairs
- Pressure wash off grease and oil.

2.10 Annual scope of work: the following shall be done on an annual basis or as needed to maintain a similarly clean facility:

- Wash all light fixtures



King County

Shannon Braddock

King County Executive

401 Fifth Avenue, Suite 800
Seattle, WA 98104

206-296-9600 Fax 206-296-0194

TTY Relay: 711

www.kingcounty.gov

April 30, 2025

The Honorable Girmay Zahilay
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Zahilay:

This letter transmits a proposed Ordinance that, if enacted, will enable King County to sell a surplus parcel located at 2578 152nd Ave. NE, Redmond, Washington, to King County Housing Authority, in support of the provision of King County operations and services.

Enacting this proposed Ordinance will allow King County Housing Authority to refinance to a fixed-rate loan. King County Metro Transit will continue its use of comfort stations at this location at no cost to King County.

This property provides affordable housing resources to communities and individuals to meet their specific needs, increasing housing stability for low-income families. The purchase of this land by King County Housing Authority ensures continued access to affordable quality housing.

This transaction is recommended per the rationale and considerations provided in the attached property summary.

Thank you for your consideration of this proposed Ordinance.

If your staff have questions, contact Drew Zimmerman, Acting Director, Facilities Management Division at 206-263-5935.

Sincerely,

A handwritten signature in black ink, appearing to read 'Shannon Braddock', written over a horizontal line.

for

Shannon Braddock
King County Executive

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff, King County Council
 Melani Hay, Clerk of the Council
Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive
Penny Lipsou, Council Relations Director, Office of the Executive
Lorraine Patterson-Harris, County Administrative Officer, Department of Executive
 Services (DES)
Drew Zimmerman, Acting Director, Facilities Management Division (FMD), DES
Julie Ockerman, Manager, Real Estate Services, FMD, DES

KING COUNTY FISCAL NOTE - *Property Leases and Sales*

GENERAL TRANSACTION INFORMATION

Ordinance/Motion:				Transaction Duration:		NA
Title:	Overlake Station Sale				Fair Market Value:	\$ 1,250,000
Affected Agency/Agencies:	Metro Transit				Legal Transaction	Sale
Note Prepared By:	Carrie Griffin / Stephen Cugier	Date Prepared:	02/07/2025	Fiscal Transaction	Stand Alone	
Note Reviewed By:						
Description of Request:	Sale of Village at Overlake Station at 2580 152nd Ave NE, Redmond WA / Parcel 894442-0020					

FINANCIAL IMPACTS

Part 1 - Net Present Value Analysis Results

Net Present Value to King County (all impacts): ***	NA	Net Present Value to Primary Impacted Agency (customer of transaction): ***	NA
--	----	--	----

Part 2 - Revenue and Expenditure Impacts

As of the preparation date of this fiscal note, the impact of the above legislation on the **financial affairs** of King County is *estimated* to be as indicated below:

Revenue to: ^{2,3,b}

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Revenue Account Code and Source/Description	Sum of Revenues Prior to 2025	2025	2026 / 2027	2028 / 2029	2030 / 2031
Metro Transit	0	METRO	4641?		39512 - Sale of Real Property	\$ -	\$ 1,250,000	\$ -	\$ -	\$ -
FMD Real Estate Services	A44000	DES	10		34187 - Costs of Real Property Sales	\$ -	\$ 1,600	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ -	\$ -	\$ -	\$ -

Expenditures from: ^{2,3,4,5}

Appropriation Unit/Expenditure Type	Appr. Number	Department	Fund Number	Project Number	Expenditure Notes	Sum of Expenditures Prior to 2025	2025	2026 / 2027	2028 / 2029	2030 / 2031
FMD Real Estate Services	A44000	DES	10							
Real Estate Services Labor Costs					Estimated RES Labor	\$ -	\$ 1,600	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ 1,600	\$ -	\$ -	\$ -
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ 1,600	\$ -	\$ -	\$ -

APPROPRIATION IMPACTS

As of the preparation date of this fiscal note, the impact of the above legislation on the **budget appropriation** of King County is *estimated* to be as indicated below: ¹

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Appropriation Notes	2025 Allocation Change	2026 / 2027 Appropriation Change	Total 6-Year CIP Outyear Planning
					0	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -
TOTAL						\$ -	\$ -	\$ -

Assumption and Additional Notes:

*** An NPV analysis was not performed because this property was determined to be surplus to King County's needs.

1. This transaction does not require the use of fund balance or reallocated grant funding.
2. The transaction is not backed by new revenue.
3. A detailed explanation of how the revenue/expenditure impacts were developed is provided below, including major assumptions made in developing the values presented in the fiscal note and other supporting data:
 - The negotiated sale price of \$1,250,000 is the fair market appraised value of the property.
 - The ground lease will be dissolved once King County Housing Authority takes ownership of the property.
 - The FTA has officially approved the transaction.

Sale Property Summary

Photo of Property



Address	2578 152 nd Ave. NE, Redmond, WA 98052
Sale Price	\$1,250,000
Sale Area	3.42 acres of affordable housing development and parking garage, King County will retain an easement for commuter parking use of the garage
Assessor's Parcel	8944420020
Zoning	Overlake Mixed Use
Council District	Six
Funding Source	Federal Transportation Administration (FTA) in 1978
Declared Surplus	July 28, 2024
Template Status:	County template with negotiated changes
Offer Expiration:	Per the terms of the Purchase and Sale Agreement, the proposed Ordinance must be effective by July 16, 2025; King County has an optional 60-day extension, which would extend the deadline to September 15, 2025

Property Information

The property, the Village at Overlake Station, is located adjacent to the Overlake Park & Ride bus loop parcel in the City of Bellevue. The Village at Overlake Station was developed by King County Metro Transit (Metro) and the King County Housing Authority (KCHA) in 2000 as a Transit Oriented Development (TOD). It was designed to provide additional mixed income housing in the county while serving as a park and ride facility and regional transit center. The housing development is on land owned by King County and is the subject of a 75-year ground lease with KCHA. The TOD property includes a parking garage with 203 covered parking spaces. The parking garage and spaces are maintained and provided by KCHA for the use of transit customers during the peak ridership time of 5:00AM to 1:00PM,

Monday through Friday. KCHA is required to provide 150 stalls for exclusive use for commuters during the peak ridership time Monday through Friday, with the exception of holidays. The rest of the parking is shared use on a first come first serve basis. Parking spaces can be used by residents of Overlake Village in the evenings and on weekends. A transit operator comfort stations is provided for the use of King County bus operators at zero cost to the County.

Context

Rationale for transaction: In 2000, King County entered into a ground lease with KCHA for the surface parking lot at Overlake Transit Center (referred to as Overlake Park & Ride) for 75 years. The ground lease provided a transit-oriented development known as the Village at Overlake Station, replacing the existing surface parking lot with affordable housing and shared parking. KCHA holds the 75-year ground lease and manages the housing development on the property.

In 2024, KCHA approached Metro to discuss opportunities to lower KCHA's costs associated with the property, specifically interest rates. KCHA developed and constructed the Village at Overlake Station between 2000 – 2002 at a cost of more than \$44 million dollars. The cost of construction included KCHA's construction of the parking garage and fixtures such as lighting, signage, handrails, that are used for the commuter parking.

KCHA's primary financing for the construction work associated with the TOD is a variable rate loan, where the interest rate can fluctuate high or low at any time. As an example, a spike in interest rates of two percent could result in a potential increase in interest of \$30,000. The balance of this loan is approximately \$18 million dollars and according to KCHA, this loan has no upper limit of how much an interest rate can increase. Due to the rising interest rates during early 2022 through the middle of 2023, the variable rate loan increased from around \$20,000 per month to over \$70,000 per month. While interest rates have come down slightly, due to continued uncertainties of the financial markets KCHA would like to refinance the loan from a variable interest rate to a fixed interest rate to avoid the fluctuations of interest costs.

KCHA and Metro fundamentally agreed to sell the ownership of the land the housing development sits on to KCHA for fair market value, in place of the ground lease. As part of the agreement, KCHA will continue to provide the maintenance of the facility, commuter parking and comfort stations for transit operators at no cost to the County. Concurrently with closing, KCHA and Metro will execute and record as appropriate the following agreements, memorializing the parking and maintenance arrangements:

1. Easement For Public Commuter Parking.
 - The Easement for Public Commuter Parking grants the County the right to use the parking garage for commuter transit parking in perpetuity. This document will be recorded with the King County Recorder's Office at closing.
2. Memorandum of Operations and Maintenance Agreement for Commuter Facilities at the Village at Overlake Station.
 - The Memorandum of Operations and Maintenance Agreement will be recorded with the King County Recorder's Office at closing in place of the whole

agreement. This practice is used when the full document contains sensitive information and/or does not meet the standards for recording.

3. Operations And Maintenance Agreement for Commuter Facilities at The Village at Overlake Station

- The Operations and Maintenance Agreement outlines maintenance and operation responsibilities/obligations of Metro and KCHA. This document will not be recorded, as the Memorandum of Operation and Maintenance Agreement, in item #2, will provide the function of recording.

4. Easement Agreement for Access and Utilities.

- The Easement of Agreement of Access and Utilities document identifies access and utility easement across the north 60 feet of the County parcel providing the only source of ingress/egress to the residents of the Overlake Village. This document will be recorded at closing substantially in the form of Exhibit H of the Purchase and Sale Agreement.

Due to the FTA funding source, Metro sought concurrence from the FTA for the intended transaction and received a concurrence letter dated February 11, 2025.

Policy considerations : This transaction will further County policies of supporting TOD and regional partnerships by assisting KCHA in reducing debt service costs.

Political considerations: N/A

Community considerations

or partnerships: There are no changes planned to the existing built environment. This action changes ownership of the ground beneath the existing housing and parking structure.

Fiscal considerations: The fair market value appraised price of the property, which is also the negotiated sale price, is \$1,250,000.

Other considerations: The County will retain an easement for the continued use of the parking in the parking garage for Metro customers.

CIP/operational impacts: There are no known CIP/operational impacts.

Change in property use: The Property's use will not change as a result of the transaction.

SEPA Review Required yes/no: Yes. Determination of Non-Significance was issued on August 8, 2024.

Equity and Social Justice impact: In accordance with Real Property Asset Management Plan (RAMP) policy, the Facilities Management Division and King County Metro Transit reviewed this legislation for Equity and Social Justice (ESJ) impacts. This property action helps a vital provider to reduce its costs, thereby supporting the organization to better meet

its goals of proving quality, affordable rental housing and assistance to people living in King County.

Surplus Process

Interest from other county agencies? No
Property suitable for affordable housing? Yes, it is the current use of the property
Property determined to be surplus? Yes, declared Surplus on July 24, 2024

Marketing and Sale

Indicate whether the property was marketed or not, and if so, how it was marketed:

<input type="checkbox"/>	MLS
<input type="checkbox"/>	Commercial Broker
<input type="checkbox"/>	County Website (number of website views: _____)
<input type="checkbox"/>	Social Media
<input type="checkbox"/>	Onsite Signage
<input checked="" type="checkbox"/>	Not Marketed The transaction was directly negotiated with KCHA as authorized by KCC 4.56.100.A.1.

Appraisal Process

Summary

Date of valuation: July 7, 2024
Appraised by: Andrew Sorba
Appraisal factors: Lengthy existing ground lease encumbering the property.
Comps analysis: Appropriate and timely comparable properties were utilized.
Estimated FMV: \$1,250,000.
Appraisal Summary Chart

Income Capitalization Method	Indicated Value
Direct Capitalization Method	\$1,220,000
Yield Capitalization Method based on a lease termination date of July 7, 2050	\$2,065,000
Yield Capitalization Method based on a lease termination date of July 7, 2075	\$1,285,000

As discussed previously, each valuation method has its pros and cons. The advantages of direct capitalization are that it is simple to use and easy to explain, it often expresses market thinking, and it provides strong market evidence of value when adequate sales are available.¹⁸ Yield capitalization is the more complex of the two fundamental methods used in the income capitalization approach to value.¹⁹ It is harder to understand and explain.

In this analysis, the project periods of the yield capitalization method are 26 and 51 years respectively. Given that the subject ground lease is very likely to be renewed for another 25 years when it expires in 2050, the longer term estimated value of \$1,285,000 is more reliable than the shorter term estimated value of \$2,065,000.

Both of the analyzed projection periods are longer than typical projections that market participants rely upon. Additionally, longer projection periods are associated with less credible estimates of value, as market conditions cannot be reliably predicted so far into the future. Therefore, it is reasonable to place more valuation weight on the direct capitalization method than the yield capitalization method

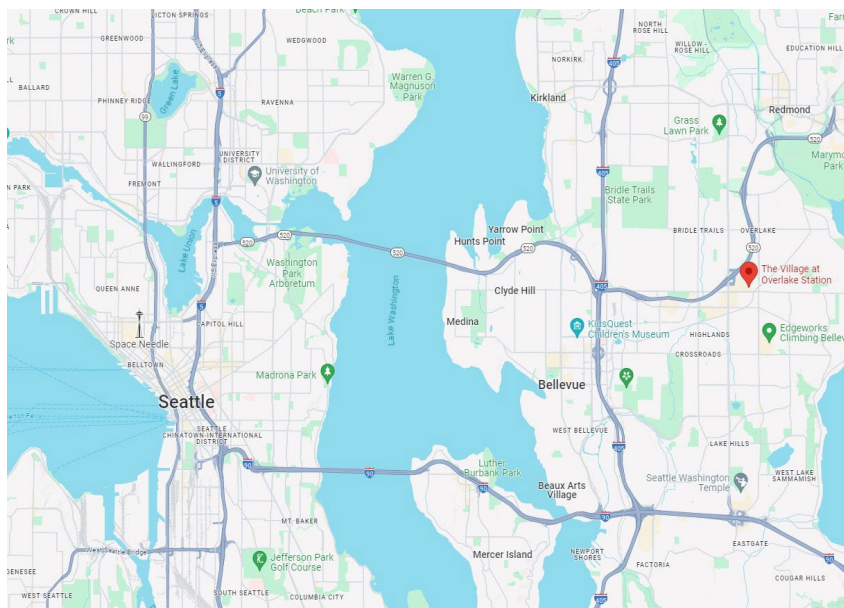
CONCLUSION OF MARKET VALUE

Based on the above analyses my estimate of value of the leased fee interest in the subject property, as of July 7, 2024, is reasonably estimated at:

ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS

\$1,250,000

Vicinity View Map



Parcel Map





U.S. Department
of Transportation
**Federal Transit
Administration**

REGION X
Alaska, Idaho, Oregon,
Washington

915 Second Avenue
Federal Bldg. Suite 3142
Seattle, WA 98174-1002
206-220-7954
206-220-7959 (fax)

February 11, 2025

David Morrison
Manager – Accounting, Grants and Contracting
King County Metro Transit Department
Finance and Administration Division
201 S. Jackson Street
Seattle, WA 98104-3856

Re: Real Property Disposition Instructions – Village at Overlake Station (WA-03-0030; 80% Federal Share)

Dear Mr. Morrison:

This letter constitutes FTA's concurrence with King County Metro's (Metro) request to dispose of the parcel located at 2576 152nd Ave, Redmond, WA. King County Metro is proposing to sell fee interest title to King County Housing Authority (KCHA). Metro will receive permanent easements on the property including an easement for perpetual use of the existing parking. KCHA will both maintain and manage the parking area at its cost. The existing ground lease on the property would be terminated and KCHA will maintain the park and ride at its sole expense.

FTA has determined that the appraisals meet the basic requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and the implementing regulations, 49 CFR Part 24.102, 103, and 104. Therefore, FTA concurs on the value of \$1,250,000. The parcel was purchased at 80 percent federal share (WA-03-0030 - closed award). The resulting Federal Interest is 80 percent of the sale proceeds.

Grantees must request disposition instruction for real property that is no longer needed for any transit purpose. FTA does not require the recipient to engage in specific sales procedures. However, the recipient shall follow established sales procedures that provide for competition to the extent practicable and result in the highest possible return. 2 CFR 200.311(d); FTA Circular 5010.1F 2024 Chapter IV (2)(k)(2).

When the grant that funded the asset to be disposed of is closed, project sponsors can sell the property and use the proceeds to reduce the gross cost of another FTA eligible capital transit project under an award. *See* 49 U.S.C. 5334(h)(4)). Circular 5010.1F defines net proceeds as the

February 11, 2025

Page 2

amount realized from the sale of property no longer needed for transit purposes minus actual and reasonable selling costs. *See* FTA Circular 5010.1F 2024, Chapter I Paragraph 4(a)(95), pg. 21/278. The recipient is expected to record the receipt of the proceeds in the recipient's accounting system, showing that the funds are restricted for use in a subsequent capital project, and reduce the amount of those restricted funds as those proceeds are applied to one or more FTA-approved capital projects under awards. FTA must approve the application of the proceeds to a subsequent capital award, which should clearly show that the gross cost of the Award has been reduced with proceeds from the earlier transaction. FTA Circular 5010.1F 2024, Chapter IV Paragraph 2(k)(2)(c), pg. 140/278.

Metro should retain documentation of compliance as required by applicable laws, regulations, and federal requirements. FTA's approval of this disposition must be annotated in the subsequent grant and the approval letter and supporting documentation should be attached to the grant(s). If you have any questions, please contact Sarah Skeen at sarah.skeen@dot.gov.

Sincerely,

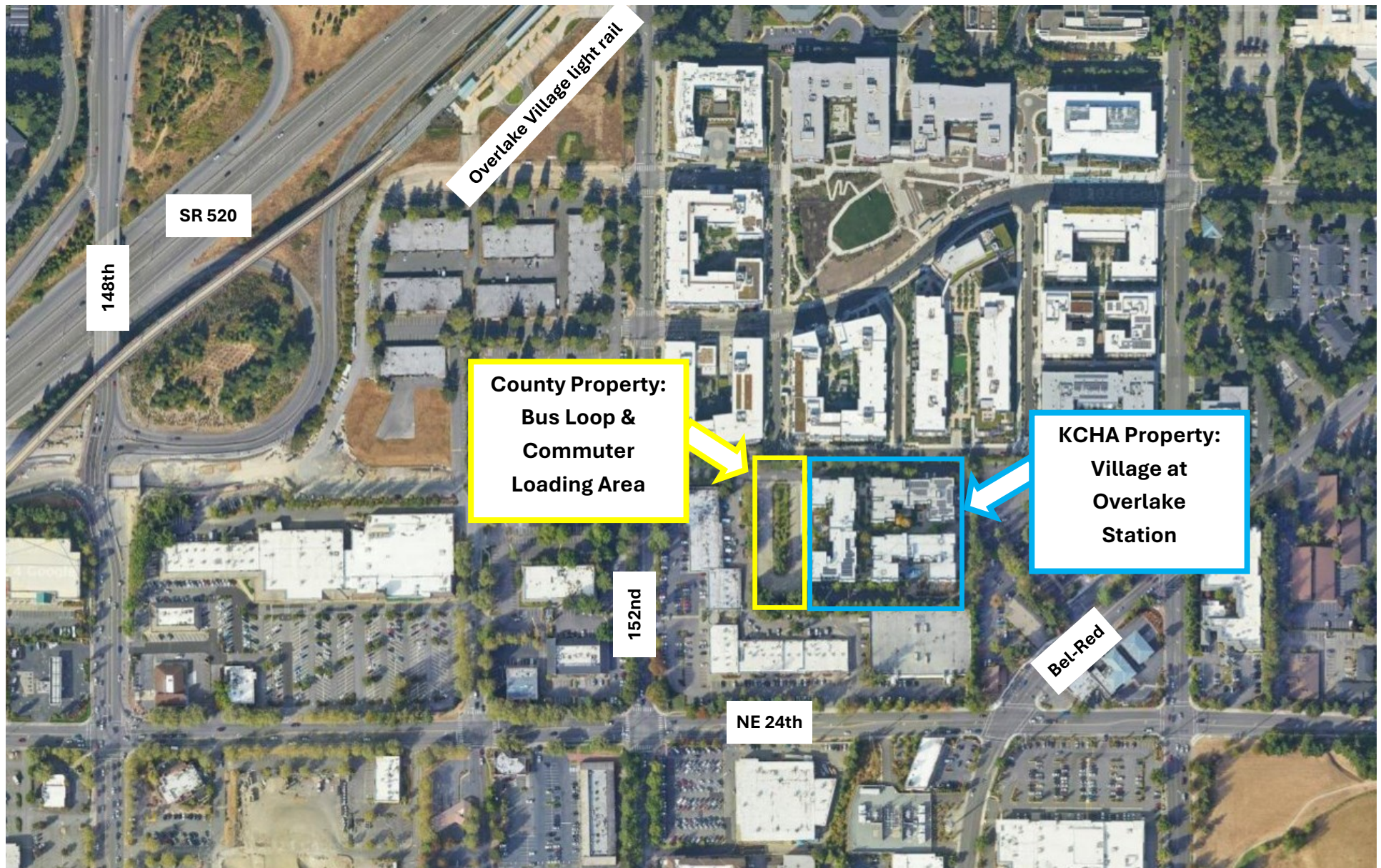
ERIC D
PAPETTI

Digitally signed by ERIC
D PAPETTI
Date: 2025.02.11
13:28:33 -08'00'

Eric Papetti
Director
Program Management Project Oversight Team

cc:
fta.tro10mail@dot.gov

The Village at Overlake Station Vicinity Map





Budget & Fiscal Management Committee

June 11, 2025

Agenda Item No. 9 Briefing No. 2025-B0092

Renewable Natural Gas Processing Facility
Acquisition and Settlement with BioEnergy
Washington

There are no materials for this item.