



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

Metropolitan King County Council

*Councilmembers: Sarah Perry, Chair;
Jorge Barón, Vice Chair of Policy Development and Review;
Reagan Dunn, Vice Chair of Regional Coordination;
Claudia Balducci, Rod Dembowski, Steffanie Fain,
Rhonda Lewis, Teresa Mosqueda, Pete von Reichbauer*

1:30 PM

Tuesday, June 2, 2026

Hybrid Meeting

REVISED AGENDA

Hybrid Meetings: Attend King County Council 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.

HOW TO PROVIDE PUBLIC TESTIMONY: The Council values community input and looks forward to hearing from you. Testimony must be limited to items listed on the agenda for council action, unless it's the fourth Tuesday of the month, when the Council will hear general comment on matters relating to county government. You are not required to sign up in advance.

There are three ways to provide public testimony:

1. In person: You may attend the meeting in person in Council Chambers.
2. By email: You may testify by submitting a COMMENT email. If your testimony is submitted before 10:00 a.m. on the day of the Council meeting, your email testimony will be distributed to the Councilmembers and appropriate staff prior to the meeting. Please submit your testimony by emailing clerk@kingcounty.gov.
3. Remote attendance on the Zoom Webinar: You may provide oral public testimony at the meeting by connecting to the meeting via phone or computer using the ZOOM application at <https://zoom.us/>, and entering the Webinar ID below.

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711.</p> <p>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.</p>	
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CONNECTING TO THE WEBINAR

Webinar ID: 873 0459 1515

If you do not have access to the ZOOM application, you can connect to the meeting by calling 1 253 215 8782 and using the Webinar ID. Connecting in this manner, however, may impact your ability to be unmuted to speak.

You have the right to language access services at no cost to you. To request these services, please contact our Equity and Social Justice Coordinator, Tera Chea at (206) 477 9259 or Tera.Chea2@kingcounty.gov, three (3) days prior to the meeting.

If you do not wish to be called upon for public comment during the meeting, please help us manage the callers and use one of the options below (Live Streaming or King County TV Channel 22).

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1. Stream online via this link: <https://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.

1. **Call to Order**

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

2. **Roll Call**

3. **Flag Salute and Pledge of Allegiance**

Councilmember Fain

4. **Approval of Minutes of May 26, 2026**

Pg. 8

Councilmember Barón



Sign language and interpreter services can be arranged given sufficient notice (206-848-0355).
TTY Number - TTY 711.
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5. Additions to the Council Agenda

6. Special Item

Martin Luther King, Jr. Distinguished Service Awards
Council Districts 1, 3, 5, 6, 8, 9

Proclamation of June 5, 2026, as Gun Violence Awareness Day in King County

Councilmember Mosqueda, Councilmember Lewis, and Executive Zahilay

Hearing and Second Reading of Ordinances from Standing Committees and Regional Committees, and of Ordinances related to Collective Bargaining

There will be one public hearing on Items 6-9 and 15

Consent Items 7-8



- 7. [Proposed Ordinance No. 2026-0104](#) **Pg. 18**

AN ORDINANCE authorizing the issuance and sale of one or more series of sewer revenue bonds and limited tax general obligation bonds (payable from sewer revenues) of the county in an aggregate principal amount not to exceed \$1,000,000,000 to provide funds for acquiring and constructing improvements to the sewer system and to pay the costs of issuing such bonds; authorizing the issuance and sale of one or more series of sewer revenue bonds and limited tax general obligation bonds (payable from sewer revenues) of the county to refund outstanding obligations of the county payable from sewer revenues and to pay the costs of issuing such refunding bonds; pledging sewer revenues to pay the principal of and interest on sewer revenue bonds issued under this ordinance; pledging the annual levy of taxes and an additional pledge of sewer revenues to pay the principal of and interest on limited tax general obligation bonds (payable from sewer revenues) issued under this ordinance; delegating authority to the county's Finance Director to approve the issuance and sale of sewer revenue bonds and limited tax general obligation bonds (payable from sewer revenues) within specified parameters; and providing for the form, terms and covenants of the bonds issued under this ordinance.

Sponsors: Dembowski

On 5/5/2026, the Metropolitan King County Council Introduced and Referred to Budget and Fiscal Management Committee.

On 5/27/2026, the Budget and Fiscal Management Committee Recommended Do Pass Consent.

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8. [Proposed Ordinance No. 2026-0121](#) **Pg. 125**

AN ORDINANCE relating to retail establishments; changing the effective date of the requirement that retailers in unincorporated King County, unless otherwise exempted, must accept payment in cash; and amending Ordinance 19639, Section 6, as amended.

Sponsors: Perry

On 5/12/2026, the Metropolitan King County Council Introduced and Referred to Committee of the Whole.

On 5/26/2026, the Committee of the Whole Recommended Do Pass Consent.

Law and Justice9. [Proposed Ordinance No. 2026-0040](#) **Pg. 131**

AN ORDINANCE relating to the department of public defense standards for indigent defense; amending Ordinance 17588, Section 4, as amended, and K.C.C. 2.60.026 and adding a new section to K.C.C. chapter 2.60.

Sponsors: Barón and Dembowski

On 3/3/2026, the Metropolitan King County Council Introduced and Referred to Law and Justice Committee.

On 3/4/2026, the Law and Justice Committee Deferred.

On 5/6/2026, the Law and Justice Committee Recommended Do Pass.

On 5/26/2026, the Metropolitan King County Council Deferred.

Public Hearing Required



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Hearing Examiner Consent Agenda Items 10 - 14

Councilmember Fain

- 10. [Proposed Substitute Ordinance No. 2026-0051.2](#) **Pg. 161**

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Bradford Smith and Joshua Finto for property located at 15550 115th Avenue SW, Vashon, WA 98070, WA, designated department of natural resources and parks, water and land resources division file no. E25CT010.

Sponsors: Perry

On 3/24/2026, the Metropolitan King County Council Introduced and Referred to Hearing Examiner.

- 11. [Proposed Substitute Ordinance No. 2026-0052.2](#) **Pg. 168**

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Janice and Cody Hodge and Theresa Styka for property located at 46728 SE 161st Street, North Bend, WA 98045, WA, designated department of natural resources and parks, water and land resources division file no. E25CT013.

Sponsors: Perry



On 4/7/2026, the Metropolitan King County Council Introduced and Referred to Hearing Examiner.

- 12. [Proposed Substitute Ordinance No. 2026-0053.2](#) **Pg. 174**

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Richard Young for property located at 16532 426th Way SE, North Bend, WA 98045, WA, designated department of natural resources and parks, water and land resources division file no. E25CT030.

Sponsors: Perry

On 4/7/2026, the Metropolitan King County Council Introduced and Referred to Hearing Examiner.

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13. [Proposed Substitute Ordinance No. 2026-0054.2](#) Pg. 181

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Scott and Michelle Harvey for property located at 12216 SW Cove Road, Vashon, WA 98070, WA, designated department of natural resources and parks, water and land resources division file no. E25CT011.

Sponsors: Perry

On 3/24/2026, the Metropolitan King County Council Introduced and Referred to Hearing Examiner.

14. [Proposed Substitute Ordinance No. 2026-0055.2](#) Pg. 188

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Penelope Clay for property located at 22747 Wax Orchard Road SW, Vashon, WA 98070, WA, designated department of natural resources and parks, water and land resources division file no. E25CT014.

Sponsors: Perry

On 3/24/2026, the Metropolitan King County Council Introduced and Referred to Hearing Examiner.

**Motions, from Standing Committees and Regional Committees and
Motions related to Collective Bargaining, for Council Action**

Consent Item 15



15. [Proposed Motion No. 2026-0068](#) Pg. 195

A MOTION acknowledging receipt of the first semiannual report on the status of activities related to contract management and compliance reporting protocols, as required by Ordinance 20023, Section 60, Proviso P1.

Sponsors: Barón

On 4/7/2026, the Metropolitan King County Council Introduced and Referred to Committee of the Whole.

On 5/26/2026, the Committee of the Whole Recommended Do Pass Consent.

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First Reading and Referral of Ordinances

16. [Proposed Ordinance No. 2026-0133](#)

AN ORDINANCE relating to organization and functions of the department of information technology; amending, Ordinance 14199, Section 11, as amended, and K.C.C. 2.16.035, Ordinance 14005, Section 3, as amended, and K.C.C. 2A.380.010, Ordinance 20012, Section 1, and K.C.C. 2A.380.025, Ordinance 18432, Section 5, as amended, and K.C.C. 2A.380.050, Ordinance 18432, Section 6, and K.C.C. 2A.380.060, Ordinance 18432, Section 7, as amended, and K.C.C. 2A.380.070, Ordinance 5868, Sections 1-2, as amended, and K.C.C. 4A.200.280, Ordinance 18386, Section 1, as amended, and K.C.C. 4A.200.2805, Ordinance 6875, Section 3, as amended, and K.C.C. 4A.510.220, Ordinance 10159, Section 3, as amended, and K.C.C. 6.27A.010, and Ordinance 10159, Section 16, as amended, and K.C.C. 6.27A.140, recodifying K.C.C. 4A.200.280 and K.C.C. 4A.200.2805, adding new sections to K.C.C. chapter 4A.200, and adding a new section to K.C.C. chapter 2A.380.

Sponsors: von Reichbauer

First Reading and Referral to the Committee of the Whole

First Reading and Referral of Motions

17. [Proposed Motion No. 2026-0088](#)

A MOTION confirming the executive's appointment of Hanan Amer, who resides in council district seven, to the children and youth advisory board, representing the Sound Cities Association.

Sponsors: von Reichbauer

First Reading and Referral to the Health, Housing, and Human Services Committee

18. Reports on Special and Outside Committees

Other Business

Adjournment



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King County

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Meeting Minutes

Metropolitan King County Council

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Jorge Barón, Vice Chair of Policy Development and Review;
Reagan Dunn, Vice Chair of Regional Coordination;
Claudia Balducci, Rod Dembowski, Steffanie Fain,
Rhonda Lewis, Teresa Mosqueda, Pete von Reichbauer*

1:30 PM

Tuesday, May 26, 2026

Hybrid Meeting

DRAFT MINUTES - REVISED AGENDA

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3. Listen to the meeting by telephone – See “Connecting to the Webinar” above.

1. Call to Order

The meeting was called to order at 1:31 p.m.

2. Roll Call

Present: 9 - Balducci, Barón, Dembowski, Dunn, Fain, Lewis, Mosqueda, Perry and von Reichbauer

3. Flag Salute and Pledge of Allegiance

Councilmember Barón led the flag salute and Pledge of Allegiance.

4. Approval of Minutes of May 12, 2026

Councilmember Barón moved to approve the minutes of the May 12, 2026, meeting as presented. Seeing no objection, the Chair so ordered.

5. Additions to the Council Agenda

Item 28.

6. Special Items**Martin Luther King, Jr. Distinguished Service Awards
Council Districts 2, 4, 7**

Councilmember Lewis presented the Martin Luther King, Jr. Distinguished Service Award to Gregory Davis, Founding Member, Rainier Beach Action Coalition. Gregory Davis made remarks and thanked the Council.

Councilmember Barón presented the Martin Luther King, Jr. Distinguished Service Award to Dominique Alex, Chief Executive Officer, Mary's Place. Dominique Alex made remarks and thanked the Council.

Councilmember von Reichbauer presented the Martin Luther King, Jr. Distinguished Service Award to Jesse Johnson, Former State Representative, Co-Founder, Federal Way Trades Program and Ken Johnson, Co-Founder, Federal Way Trades Program. Jesse Johnson and Ken Johnson made remarks and thanked the Council.

Proclamation of May as Mental Health Awareness Month in King County

Councilmember Perry presented the Proclamation of May as Mental Health Awareness Month in King County, and introduced KayLee Jaech, The Garage - A Teen Cafe. KayLee Jaech made remarks and thanked the Council.

Proclamation of May 2026 as Jewish American Heritage Month in King County

Councilmember Balducci presented the Proclamation of May 2026 as Jewish American Heritage Month in King County, and introduced Rabbi Jason Levine, Jewish Community Relations Council Associate Director, Jewish Federation of Greater Seattle. Rabbi Jason Levine made remarks and thanked the Council.

7. Public Comment

The following people spoke:

Billy Hetherington

Andrea Ornelas

Mark Rosenberger

Joe Kunzler

Jagan Nemani

Jessica Ivey

Rayaan Taj

Shadley Van Schalkwyk

Sean Cary

Travis Grizzel

Danielle Wallace

Aarthi Hatter

Jana Drajpuch

James Hietala

Melody Correia

Whitney Schrader

Vera Volk

Jon Schrader

Joe Hannan

Nikki Bragg

Tonya Coburn

Mia Sandeep

Sue Ver Gowe

Hannah Prall

Annalynn Greer

Amanda Wright

Jim Tjosvold

Georgia North

Shelley Smith

Nivi Tanwar

David North

Rajshree Jadeja

Teresa Bechtold

Denise Brandt

Alex Tsimmerman

Zac Pinard

Mark Vossler

Howard Steele

Nathan Hatch

Michael Truog

Roderick Jefferson

Yvette Dinish

Laura Robinett

Maya Hatter

Dan Murphy

Katie Coleman

Hearing and Second Reading of Ordinances from Standing Committees and Regional Committees, and of Ordinances related to Collective Bargaining

There will be one public hearing on Items 6-9 and 14-15

Law and Justice

8. [Proposed Ordinance No. 2026-0040](#)

AN ORDINANCE relating to the department of public defense standards for indigent defense; amending Ordinance 17588, Section 4, as amended, and K.C.C. 2.60.026 and adding a new section to K.C.C. chapter 2.60.

Sponsors: Barón and Dembowski

Leah Krekel-Zoppi, Council Staff, briefed the Council and answered questions.

This matter was Deferred

Local Services and Land Use

9. [Proposed Ordinance No. 2026-0113](#)

AN ORDINANCE relating to the withdrawal of approximately 67 acres of land from the Vashon sewer district.

Sponsors: Mosqueda

Councilmember Barón made a motion to suspend the rules to hold an advertised public hearing. The motion carried.

A Public Hearing was held and closed. This matter was Deferred.

Hearing Examiner Consent Agenda

10. [Proposed Substitute Ordinance No. 2026-0041.2](#)

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Pavel Aprikian and Louisa Khudaverdian for property located at 17725 SE 102nd Street, Newcastle, WA, designated department of natural resources and parks, water and land resources division file no. E25CT016.

Sponsors: Perry

The enacted number is 20069.

This matter passed on the Hearing Examiner Consent Agenda.

11. [Proposed Substitute Ordinance No. 2026-0042.2](#)

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Jessica and Nicholas Firsow for property located at 31811 NE 199th Place, Duvall, WA, designated department of natural resources and parks, water and land resources division file no. E25CT015.

Sponsors: Perry

The enacted number is 20070.

This matter passed on the Hearing Examiner Consent Agenda.

12. [Proposed Substitute Ordinance No. 2026-0044.2](#)

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Lina Tong for property located at 5617 236th Avenue NE, Redmond, WA, designated department of natural resources and parks, water and land resources division file no. E25CT034.

Sponsors: Perry

The enacted number is 20071.

This matter passed on the Hearing Examiner Consent Agenda.

13. [Proposed Substitute Ordinance No. 2026-0045.2](#)

AN ORDINANCE concurring with the recommendation of the hearing examiner to approve, subject to conditions, the application for public benefit rating system assessed valuation for open space submitted by Jeff Smith and Clover Bachman for property located at 17317 W Snoqualmie Valley Road NE, Duvall, WA, designated department of natural resources and parks, water and land resources division file no. E25CT029.

Sponsors: Perry

The enacted number is 20072.

This matter passed on the Hearing Examiner Consent Agenda.

Passed On The Consent Agenda

A motion was made by Councilmember Fain that the Consent Agenda be passed. The motion carried by the following vote:

Yes: 9 - Balducci, Barón, Dembowski, Dunn, Fain, Lewis, Mosqueda, Perry, and von Reichbauer

Motions, from Standing Committees and Regional Committees and Motions related to Collective Bargaining, for Council Action

Consent Items

14. **[Proposed Motion No. 2025-0252](#)**

A MOTION acknowledging receipt of the summary letter and completion of the online annual report requirement for the Crisis Care Centers Levy, in accordance with Ordinance 19572, Section 7.C.9, and Attachment A to Ordinance 19783, Section VIII.A.

Sponsors: Mosqueda

The enacted number is 16973.

A Public Hearing was held and closed. This Matter passed on the Consent Agenda.

15. **[Proposed Motion No. 2026-0064](#)**

A MOTION confirming the executive's appointment of Sabina Perry, who resides in council district four, to the behavioral health advisory board, as a representative who has lived experience with one or more behavioral health conditions.

Sponsors: Barón

The enacted number is 16974.

A Public Hearing was held and closed. This Matter passed on the Consent Agenda.

Passed On The Consent Agenda

A motion was made by Councilmember Barón that the Consent Agenda be passed. The motion carried by the following vote:

Yes: 9 - Balducci, Barón, Dembowski, Dunn, Fain, Lewis, Mosqueda, Perry, and von Reichbauer

First Reading and Referral of Ordinances

16. [Proposed Ordinance No. 2026-0023](#)

AN ORDINANCE adopting and ratifying amendments to the 2021 King County Countywide Planning Policies.

Sponsors: Dunn

This matter had its first reading and was referred to the Local Services and Land Use Committee.

17. [Proposed Ordinance No. 2026-0062](#)

AN ORDINANCE relating to King County district court electoral district boundaries for 2026; and amending Ordinance 16803, Section 1, as amended, and K.C.C. 1.12.050.

Sponsors: von Reichbauer

This matter was Introduced and Referred to the Government Accountability and Oversight Committee

18. [Proposed Ordinance No. 2026-0108](#)

AN ORDINANCE relating to the sale of the surplus property located at 46502 268th Avenue SE, King County, Washington, in council district nine.

Sponsors: Dembowski

This matter was Introduced and Referred to the Budget and Fiscal Management Committee

19. [Proposed Ordinance No. 2026-0116](#)

AN ORDINANCE relating to the sale of environmental attributes held by the county; authorizing the county to enter into an agreement for the sale of environmental attributes related to biomethane produced at the South Treatment Plant to Karbone Inc.

Sponsors: Fain

This matter was Introduced and Referred to the Transportation, Economy, and Environment Committee

20. [Proposed Ordinance No. 2026-0117](#)

AN ORDINANCE authorizing the county executive to enter into an interlocal agreement for the provision of autopsy and forensic pathology services by the King County medical examiner's office to Skagit County.

Sponsors: Mosqueda

This matter was Introduced and Referred to the Health, Housing, and Human Services Committee

21. [Proposed Ordinance No. 2026-0132](#)

AN ORDINANCE regarding the King County noxious weed control program; revising King County noxious weed control program assessments; amending Ordinance 13325, Sections 1 and 2, as amended, and K.C.C. 4A.670.200 and establishing an effective date.

Sponsors: Dembowski

This matter was Introduced and Referred to the Budget and Fiscal Management Committee

First Reading and Referral of Motions

22. [Proposed Motion No. 2026-0111](#)

A MOTION acknowledging receipt of a report on maintaining Medicaid retention in King County, in accordance with the 2026-2027 Biennial Budget Ordinance, Ordinance 20023, Section 17, Proviso P9.

Sponsors: Mosqueda

This matter was Introduced and Referred to the Health, Housing, and Human Services Committee

23. [Proposed Motion No. 2026-0118](#)

A MOTION acknowledging receipt of a plan to address the needs of vulnerable jail residents as they transition from prerelease to postrelease services, in accordance with the 2026-2027 Biennial Budget Ordinance, Ordinance 20023, Section 51, Proviso P2.

Sponsors: Mosqueda

This matter was Introduced and Referred to the Health, Housing, and Human Services Committee

24. [Proposed Motion No. 2026-0127](#)

A MOTION confirming the executive's appointment of Teofila Cruz-Uribe, who resides in council district eight, to the King County cultural development authority (4Culture) board, as an executive at-large representative for position 12.

Sponsors: Mosqueda

This matter was Introduced and Referred to the Committee of the Whole

25. [Proposed Motion No. 2026-0129](#)

A MOTION confirming the appointment of _____ to the citizens' elections oversight committee as a representative sponsored by a junior taxing district or a city with a population of under twenty thousand.

Sponsors: Perry

This matter was Introduced and Referred to the Employment and Administration Committee

26. [Proposed Motion No. 2026-0130](#)

A MOTION confirming the appointment of _____ to the citizens' elections oversight committee as a representative of the Korean-speaking community.

Sponsors: Perry

This matter was Introduced and Referred to the Employment and Administration Committee

27. **Reports on Special and Outside Committees**

Other Business

Chair Perry announced that in accordance with KCC chapter 2.30, there are three vacant at-large positions on the Women’s Advisory Board and requested the Councilmembers submit nominations to fill those positions. Councilmembers are encouraged to review the provisions of KCC 2.30.060.A. for the diversity criteria recommended by that section. Councilmembers may nominate an individual by sending an email with the completed application forms to the Chair’s office by June 8th at 5pm. All nominations will be announced at the June 9th Council meeting and forwarded to the Executive.”

Rereferral

28. [Proposed Ordinance No. 2026-0066](#)

AN ORDINANCE updating the capacity charge methodology; and amending Ordinance 13680, Section 16, as amended, and K.C.C. 28.86.160.

Sponsors: Balducci

This matter was Re-referred to the Regional Water Quality Committee

Adjournment

The meeting was adjourned at 4:04 p.m.

Approved this _____ day of _____

Clerk's Signature



Signature Report

Ordinance

Proposed No. 2026-0104.1

Sponsors Dembowski

1 AN ORDINANCE authorizing the issuance and sale of one
2 or more series of sewer revenue bonds and limited tax
3 general obligation bonds (payable from sewer revenues) of
4 the county in an aggregate principal amount not to exceed
5 \$1,000,000,000 to provide funds for acquiring and
6 constructing improvements to the sewer system and to pay
7 the costs of issuing such bonds; authorizing the issuance
8 and sale of one or more series of sewer revenue bonds and
9 limited tax general obligation bonds (payable from sewer
10 revenues) of the county to refund outstanding obligations of
11 the county payable from sewer revenues and to pay the
12 costs of issuing such refunding bonds; pledging sewer
13 revenues to pay the principal of and interest on sewer
14 revenue bonds issued under this ordinance; pledging the
15 annual levy of taxes and an additional pledge of sewer
16 revenues to pay the principal of and interest on limited tax
17 general obligation bonds (payable from sewer revenues)
18 issued under this ordinance; delegating authority to the
19 county's Finance Director to approve the issuance and sale
20 of sewer revenue bonds and limited tax general obligation

21 bonds (payable from sewer revenues) within specified
22 parameters; and providing for the form, terms and
23 covenants of the bonds issued under this ordinance.

24 PREAMBLE:

25 The county owns and operates facilities for the conveyance and treatment
26 of sewage and control of combined sewer overflows that include
27 wastewater treatment plants, interceptor and trunk sewers, pumping
28 stations, regulator stations, outfall sewers, storm sewers to divert
29 stormwater from sanitary sewers, lands for application of biosolids,
30 property rights, and buildings and other structures and equipment
31 (collectively, the "System"), all in accordance with a comprehensive plan
32 for metropolitan water pollution abatement under the authority of chapters
33 36.56 and 35.58 of the Revised Code of Washington ("RCW").

34 Long-term service agreements with participating municipalities and other
35 entities (the "Participants") obligate the county to treat and dispose of
36 sewage collected by the Participants. The Participants must pay the costs
37 of these services including debt service on bonds payable from sewer
38 revenues, including the bonds authorized by this ordinance, and other
39 indebtedness payable from and secured by sewer revenues. Comparable
40 rates and charges have been established for customers who deliver sewage
41 to the System but are not subject to a contract with the county for this
42 service.

43 In accordance with RCW 35.58.200(3), the county has declared that the
44 health, safety and welfare of people within the metropolitan area require
45 that certain Participants discharge sewage collected by those Participants
46 into facilities of the System.

47 It is necessary and desirable for the county to issue and sell, from time to
48 time, one or more series of its bonds payable from sewer revenues in an
49 aggregate principal amount not to exceed \$1,000,000,000 (the "Project
50 Bonds") to pay costs of capital improvements to the System, in accordance
51 with the Comprehensive Plan and the Capital Improvement Budget, and to
52 pay the costs of issuing the bonds.

53 In addition, the county may have opportunities to refund, including by
54 purchase or exchange, or defease all or portions of its currently
55 outstanding obligations of the county payable from sewer revenues, in
56 each case to effect a saving to the county and ratepayers of the System or
57 when necessary or in the best interest of the county and ratepayers of the
58 System to modify debt service or reserve requirements, sources of
59 payment, covenants or other terms of the obligations to be refunded.

60 The county has issued its sewer revenue bonds secured by a senior lien on
61 Revenue of the System, as set forth in Attachment A, Section I, to this
62 ordinance (as further defined herein, the "Parity Bonds").

63 The county has issued its limited tax general obligation bonds additionally
64 secured by a lien on Revenue of the System junior and subordinate to the

65 lien thereon of the Parity Bonds, as set forth in Attachment A, Section II,
66 to this ordinance (as further defined herein, the "Parity Lien Obligations").

67 The county has issued its sewer revenue bonds secured by a lien on
68 Revenue of the System junior and subordinate to the lien thereon of the
69 Parity Lien Obligations, as set forth in Attachment A, Section III, to this
70 ordinance (as further defined herein, the "Junior Lien Obligations").

71 The county has issued its limited tax general obligation bonds additionally
72 secured by a lien on Revenue of the System junior and subordinate to the
73 lien thereon of the Junior Lien Obligations (as further defined herein, the
74 "Multi-Modal LTGO/Sewer Revenue Bonds"), which includes multi-
75 modal limited tax general obligation notes (payable from sewer revenues)
76 in the commercial paper mode, as set forth in Attachment A, Section IV,
77 to this ordinance.

78 The county has reserved the right to issue certain revenue bonds or other
79 revenue obligations with a lien on Revenue of the System junior and
80 inferior to the lien thereon of the Multi-Modal LTGO/Sewer Revenue
81 Bonds (as further defined herein, the "Subordinate Lien Obligations").

82 The county has entered into loan agreements with the State Department of
83 Ecology under the State water pollution control revolving fund loan
84 program (the "SRF Loans") and with the State Department of Commerce
85 under the Public Works Board loan program (the "Public Works Board
86 Loans"), the repayment obligations of which are secured by a lien on

87 Revenue of the System junior and subordinate to the lien thereon of the
88 Subordinate Lien Obligations.

89 It is necessary and advisable for the county to issue and sell, from time to
90 time, one or more series of its bonds payable from sewer revenue (the
91 "Refunding Bonds," and together with the Project Bonds, the "Bonds") to
92 effect the refunding of Parity Bonds, Parity Lien Obligations, Junior Lien
93 Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, SRF Loans and
94 Public Works Board Loans, and any Future Parity Bonds, Future Parity
95 Lien Obligations, Future Junior Lien Obligations, Future Multi-Modal
96 LTGO/Sewer Revenue Bonds, Subordinate Lien Obligations, and future
97 SRF Loans and Public Works Board Loans, and to pay the costs of issuing
98 the bonds and accomplishing the refunding.

99 It is in the best interest of the county to designate, pursuant to RCW
100 39.46.040 and other authority of the county, the county's Finance Director
101 to serve as its designated representative to accept offers to purchase the
102 Bonds on behalf of the county consistent with terms and parameters
103 established by this ordinance and county debt policy.

104 As designated representative, the Finance Director has authority to sell the
105 Bonds in one or more series, as either Parity Bonds or Parity Lien
106 Obligations, or a combination thereof, by competitive bid or negotiated
107 sale, or to the federal government or another direct purchaser, and to
108 identify any obligations to be refunded, including by purchase or
109 exchange, with the proceeds of the Bonds, all in consultation with the

110 county's financial advisors, and consistent with terms and parameters
111 established by this ordinance and county debt policy.

112 The sale of any series of the Bonds shall be reported to the county council
113 and the Executive Finance Committee, as part of the annual report
114 provided for in this ordinance.

115 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

116 SECTION 1. Definitions. The following words and terms as used in this
117 ordinance have the following meanings for all purposes of this ordinance, unless some
118 other meaning is plainly intended.

119 "Accreted Value" means, for any Capital Appreciation Bonds, as of any date of
120 calculation, the sum of the amounts set forth in the ordinance, resolution or Sale
121 Document authorizing such bonds, representing the initial principal amount of such
122 bonds plus the interest accumulated, compounded and unpaid thereon as of the most
123 recent compounding date, as provided in the ordinance, resolution or Sale Document
124 authorizing the issuance of such bonds; provided, that if such calculation is not made as
125 of a compounding date, such amount shall be determined by straight-line interpolation as
126 of the immediately preceding and the immediately succeeding compounding dates.

127 "Agency Customer" means any city, town, water-sewer district or other political
128 subdivision, person, firm, private corporation or other entity that collects sewage from
129 customers and disposes of any portion of that sewage into the System and is not a
130 Participant.

131 "Annual Debt Service" means, for any calendar year, the sum of the following:

132 1. The interest due on all outstanding Parity Bonds and Parity Lien
133 Obligations: (a) on all interest payment dates other than January 1 in such calendar year;
134 and (b) on January 1 of the next succeeding year, and any Payment Agreement Payments
135 due on such dates in respect of any Parity Payment Agreements and Parity Lien
136 Obligation Payment Agreements, minus any Payment Agreement Receipts due in such
137 period in respect of any Parity Payment Agreements and Parity Lien Obligation Payment
138 Agreements.

139 a. For purposes of calculating the amounts required to pay
140 interest on Parity Bonds or Parity Lien Obligations, capitalized interest and accrued
141 interest paid to the county upon the issuance of Parity Bonds or Parity Lien Obligations
142 shall be excluded and interest on any Balloon Maturity shall also be excluded.

143 b. The amount of interest deemed to be payable on any issue
144 of Variable Rate Parity Bonds or Variable Rate Parity Lien Obligations shall be
145 calculated on the assumption that the interest rate on those bonds would be equal to the
146 rate that is the average of the SIFMA Municipal Swap Index over the 10 calendar years
147 preceding the quarter in which the calculation is made (the "assumed variable rate");
148 provided, that for purposes of determining actual compliance in any past calendar year
149 with the rate covenant made in section 18 of this ordinance, the actual amount of interest
150 paid on any issue of Variable Rate Parity Bonds or Parity Lien Obligations shall be taken
151 into account;

152 2. The principal due, at maturity or upon the mandatory redemption
153 of Term Bonds prior to their maturity, for all outstanding Parity Bonds and Parity Lien
154 Obligations other than any Balloon Maturity: (a) on all principal payment dates other

155 than January 1 of such calendar year; and (b) on January 1 of the next succeeding year;
156 and

157 3. The Assumed Debt Service for any Balloon Maturity of a Parity
158 Bond or Parity Lien Obligation for that calendar year.

159 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or
160 upon the mandatory redemption of Parity Term Bonds that are Capital Appreciation
161 Bonds shall be included in the calculation of Annual Debt Service, and references in this
162 ordinance to principal of Parity Bonds shall include the Accreted Value due at maturity or
163 upon the mandatory redemption of any Capital Appreciation Bonds.

164 Notwithstanding the foregoing, debt service on Parity Bonds or Parity Lien
165 Obligations with respect to which a Payment Agreement is in force shall be calculated by
166 the county to reflect the net economic effect on the county intended to be produced by the
167 terms of the Parity Bonds or Parity Lien Obligations and the terms of the applicable
168 Payment Agreement, in accordance with the requirements for Payment Agreements set
169 forth in section 27 of this ordinance and any other applicable requirements from the
170 ordinances authorizing the issuance of such Parity Bonds or Parity Lien Obligations.

171 For purposes of satisfying the rate covenant in section 18.B. of this ordinance and
172 the tests for the issuance of additional Parity Lien Obligations in section 25 of this
173 ordinance, Annual Debt Service for any fiscal year or calendar year shall exclude any
174 Debt Service Offsets, i.e., any Debt Service Offsets shall be deducted from Annual Debt
175 Service.

176 "Annual Parity Debt Service" means, for any calendar year, the sum of the
177 following:

178 1. The interest due on all outstanding Parity Bonds: (a) on all interest
179 payment dates other than January 1 in such calendar year; and (b) on January 1 of the
180 next succeeding year, and any Payment Agreement Payments due on such dates in
181 respect of Parity Payment Agreements, minus any Payment Agreement Receipts due in
182 such period in respect of such Parity Payment Agreements.

183 a. For purposes of calculating the amounts required to pay
184 interest on Parity Bonds, capitalized interest and accrued interest paid to the county upon
185 the issuance of Parity Bonds shall be excluded and interest on any Balloon Maturity shall
186 also be excluded.

187 b. The amount of interest deemed to be payable on any issue
188 of Variable Rate Parity Bonds shall be calculated on the assumption that the interest rate
189 on those bonds would be equal to the rate that is the average of the SIFMA Municipal
190 Swap Index over the 10 calendar years preceding the quarter in which the calculation is
191 made (the "assumed variable rate"); provided, that for purposes of determining actual
192 compliance in any past calendar year with the rate covenant made in section 18 of this
193 ordinance, the actual amount of interest paid on any issue of Variable Rate Parity Bonds
194 shall be taken into account.

195 2. The principal due at maturity or upon the mandatory redemption of
196 Term Bonds prior to their maturity for all outstanding Parity Bonds other than any
197 Balloon Maturity: (x) on all principal payment dates other than January 1 of such
198 calendar year; and (y) on January 1 of the next succeeding year.

199 3. The Assumed Debt Service for any Balloon Maturity of a Parity
200 Bond for that calendar year.

201 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or
202 upon the mandatory redemption of Parity Term Bonds that are Capital Appreciation
203 Bonds shall be included in the calculation of Annual Debt Service, and references in this
204 ordinance to principal of Parity Bonds shall include the Accreted Value due at maturity or
205 upon the mandatory redemption of any Capital Appreciation Bonds.

206 Notwithstanding the foregoing, debt service on Parity Bonds with respect to
207 which a Payment Agreement is in force shall be calculated by the county to reflect the net
208 economic effect of the terms of the Parity Bonds and the applicable Payment Agreement,
209 in accordance with the requirements set forth in section 27 of this ordinance and any
210 other applicable requirements from the ordinances authorizing issuance of such Parity
211 Bonds.

212 For purposes of calculating the Reserve Requirement and satisfying the rate
213 covenant in section 18.A. of this ordinance and the tests for the issuance of Future Parity
214 Bonds in section 24 of this ordinance, Annual Parity Debt Service for any fiscal year or
215 calendar year shall exclude any Debt Service Offsets, i.e., any Debt Service Offsets shall
216 be deducted from Annual Parity Debt Service.

217 "Assumed Amortization Period" means an assumed amortization period for a
218 Balloon Maturity as specified in the Sale Document designating the Balloon Maturity. An
219 Assumed Amortization Period may not be longer than the lesser of: (a) the useful life, as
220 of the date of designation, of the assets being financed; and (b) 75 years. The Assumed
221 Amortization Period for a Balloon Maturity applies, i.e., is not reset, until the Balloon
222 Maturity, and any Balloon Maturity issued to refund that Balloon Maturity, is no longer
223 outstanding.

224 "Assumed Debt Service" for any Balloon Maturity for any calendar year means an
225 amount equal to the principal and interest that would be payable in each calendar year if
226 that Balloon Maturity were amortized over the Assumed Amortization Period on a
227 substantially level debt service basis, calculated based on the actual interest rate on the
228 Balloon Maturity, if fixed, and based on the average of the SIFMA Municipal Swap
229 Index over the 10 calendar years preceding the quarter in which the calculation is made,
230 if variable.

231 "Balloon Maturity" means any scheduled principal maturity of any Series of
232 Parity Bonds or Parity Lien Obligations that the county designates in the Sale Document
233 for that Series to be a Balloon Maturity for the purposes of the definitions of Annual Debt
234 Service and Annual Parity Debt Service. Any Balloon Maturity includes any
235 corresponding scheduled principal maturity of Parity Bonds or Parity Lien Obligations
236 issued to refund such Balloon Maturity unless the Balloon Maturity designation is
237 rescinded in the Sale Document approving the refunding.

238 "Beneficial Owner" means, with respect to a Bond, the owner of the beneficial
239 interest in that Bond.

240 "Bond Purchase Agreement" means any bond purchase agreement for the sale of a
241 Series of Bonds approved by the Finance Director pursuant to section 28.B. of this
242 ordinance.

243 "Bond Register" means the registration books maintained by the Registrar for
244 purposes of identifying ownership of the Bonds.

245 "Bonds" means the county's Project Bonds, Refunding Bonds or both, authorized
246 to be issued under this ordinance. The Bonds may be issued in one or more Series of
247 Parity Bonds or Parity Lien Obligations, as provided in this ordinance.

248 "Capital Appreciation Bonds" means any Parity Bonds the interest on which is
249 compounded, accumulated and payable only upon redemption or on the maturity date of
250 such Parity Bonds; provided, that Parity Bonds may be deemed to be Capital
251 Appreciation Bonds for only a portion of their term pursuant to the ordinance, resolution
252 or Sale Document authorizing their issuance. On the date on which Parity Bonds no
253 longer are Capital Appreciation Bonds, they shall be deemed outstanding in a principal
254 amount equal to their Accreted Value.

255 "Capital Improvement Budget" means the capital improvement budget of the
256 county in effect from time to time, as such budget may have been amended or
257 supplemented.

258 "Certificate of Award" means any certificate of award for the sale of a Series of
259 Bonds approved by the Finance Director pursuant to section 28.C. of this ordinance.

260 "Certified Public Accountant" means an independent certified public accountant
261 or firm of certified public accountants selected by the county and having a favorable
262 national reputation.

263 "Closing" means the delivery of a Series of the Bonds to, and payment of the
264 purchase price therefor by, the initial purchaser or purchasers of that Series of Bonds.

265 "Code" means the Internal Revenue Code of 1986 as in effect on the date of
266 issuance of a Series of Tax-Advantaged Obligations or Tax-Exempt Obligations or,
267 except as otherwise referenced herein, as it may be amended to apply to obligations

268 issued on the date of issuance of the Tax-Advantaged Obligations or Tax-Exempt
269 Obligations, together with applicable proposed, temporary, and final regulations
270 promulgated, and applicable official public guidance published, under the Code.

271 "Comprehensive Plan" means the county's comprehensive water pollution
272 abatement plan authorized by RCW 35.58.200 and defined in K.C.C. 28.82.150 as the
273 Comprehensive Sewage Disposal Plan adopted by Resolution No. 23 of the Municipality
274 of Metropolitan Seattle on April 22, 1959, and all amendments thereto, together with any
275 amendments hereafter approved by ordinance.

276 "Construction Account" means the "Water Quality Construction Fund" of the
277 County.

278 "Credit Facility" means any letter of credit, standby bond purchase agreement,
279 line of credit, surety bond, insurance policy or other insurance commitment or similar
280 agreement, but not including a Payment Agreement, satisfactory to the county, that is
281 provided by a commercial bank, insurance company or other financial institution, with a
282 current long-term rating or whose obligations thereunder are guaranteed by a financial
283 institution with a long-term rating: (a) from Moody's and S&P not lower, when issued,
284 than the credit rating of any Series of Parity Bonds, to provide support for a Series of
285 Parity Bonds, and shall include any substitute therefor in accordance with the provisions
286 of the ordinance providing for the issuance of Parity Bonds supported by a Credit
287 Facility; or (b) from Fitch, Moody's and S&P not lower, when issued, than the credit
288 rating of any Series of Parity Lien Obligations, to provide support for a Series of Parity
289 Lien Obligations, including Variable Rate Parity Lien Obligations, and shall include any

290 substitute therefor in accordance with the provisions of the ordinance providing for the
291 issuance of Parity Lien Obligations supported by a Credit Facility.

292 "Customers" means Residential Customers and Residential Customer Equivalents
293 as defined and determined in the existing Service Agreements.

294 "Debt Service Offset" means receipts of the county, including federal interest
295 subsidy payments, designated as such by the county that are not included in Revenue of
296 the System and that are legally available to pay debt service on Parity Bonds, Parity Lien
297 Obligations or other obligations of the county payable from and secured by a pledge of
298 Revenue of the System.

299 "DTC" means The Depository Trust Company, New York, New York.

300 "EPA" means the United States Environmental Protection Agency.

301 "Fair Market Value" means the price at which a willing buyer would purchase an
302 investment from a willing seller in a bona fide, arm's-length transaction, except for
303 specified investments as described in Treasury Regulation § 1.148-5(d)(6), including
304 United States Treasury obligations, certificates of deposit, guaranteed investment
305 contracts, and investments for yield-restricted defeasance escrows. Fair Market Value is
306 generally determined on the date on which a contract to purchase or sell an investment
307 becomes binding, and, to the extent required by the applicable regulations under the
308 Code, the term "investment" will include a hedge.

309 "Federal Tax Certificate" means the certificate executed by the Finance Director
310 setting forth the requirements of the Code for maintaining the tax status of the applicable
311 Tax-Advantaged Obligations or Tax-Exempt Obligations, and attachments thereto.

312 "Finance Director" means the director of the finance and business operations
313 division of the department of executive services of the county or any other county officer
314 who succeeds to the duties now delegated to that office, or the designee of such officer.

315 "Fitch" means Fitch Ratings, and its successors and assigns, except that if such
316 entity is dissolved or liquidated or no longer performs the functions of a securities rating
317 agency, then the term "Fitch" shall be deemed to refer to any other nationally recognized
318 securities rating agency selected by the county.

319 "Future Junior Lien Obligations" means any sewer revenue bonds, warrants or
320 other obligations that may be issued in the future with a lien on Revenue of the System
321 equal to the lien thereon of the currently outstanding Junior Lien Obligations.

322 "Future Multi-Modal LTGO/Sewer Revenue Bonds" means any limited tax
323 general obligation bonds that may be issued in the future that are additionally secured by
324 a lien on Revenue of the System on a parity with the lien thereon of the currently
325 outstanding Multi-Modal LTGO/Sewer Revenue Bonds.

326 "Future Parity Bonds" means any sewer revenue bonds, warrants or other
327 obligations that may be issued in the future with a lien on Revenue of the System equal to
328 the lien thereon of the currently outstanding Parity Bonds.

329 "Future Parity Lien Obligations" means any limited tax general obligation bonds
330 that may be issued in the future that are additionally secured by a lien on Revenue of the
331 System on a parity with the lien thereon of the currently outstanding Parity Lien
332 Obligations.

333 "Government Obligations" means "government obligations," as defined in chapter
334 39.53 RCW, as such chapter may be hereafter amended or restated, except as such
335 definition is further limited in the Sale Document.

336 "Junior Lien Obligations" means the outstanding Junior Lien Obligations, which
337 are identified in Attachment A, Section III, to this ordinance, and any Future Junior Lien
338 Obligations.

339 "Letter of Representations" means the Blanket Issuer Letter of Representations
340 dated December 17, 2025, by and between the county and DTC, as it may be amended
341 from time to time, and any successor or substitute letter relating to the operational
342 procedures of the Securities Depository.

343 "Loan Agreement" means any loan agreement, including any WIFIA master
344 agreement or direct purchase agreement, for the sale of a Series of Bonds approved by the
345 Finance Director pursuant to section 28.D. of this ordinance. A WIFIA loan agreement
346 subject to a WIFIA master agreement is a supplement or amendment to such WIFIA
347 master agreement.

348 "Moody's" means Moody's Ratings, and its successors and assigns, except that if
349 such corporation is dissolved or liquidated or no longer performs the functions of a
350 securities rating agency, then the term "Moody's" shall be deemed to refer to any other
351 nationally recognized securities rating agency selected by the county.

352 "MSRB" means the Municipal Securities Rulemaking Board or any successor to
353 its functions.

354 "Multi-Modal LTGO/Sewer Revenue Bonds" means the outstanding Multi-Modal
355 LTGO/Sewer Revenue Bonds, which are identified in Attachment A, Section IV, to this
356 ordinance, and any other Future Multi-Modal LTGO/Sewer Revenue Bonds.

357 "Net Revenue" means Revenue of the System less Operating and Maintenance
358 Expenses.

359 "Official Notice of Bond Sale" means, with respect to each Series of Bonds sold
360 by competitive bid, the official notice of sale therefor prepared pursuant to section 28 of
361 this ordinance.

362 "Operating and Maintenance Expenses" means all normal expenses incurred by
363 the county in causing the System to be maintained in good repair, working order and
364 condition and includes payments to any private or governmental agency for the operation
365 or maintenance of facilities or for the disposal of sewage but excludes any allowance for
366 depreciation.

367 "Owner" means, with respect to a Bond, without distinction, the Beneficial Owner
368 or the Registered Owner.

369 "Parity Bond Fund" means the "Water Quality Revenue Bond Account"
370 designated pursuant to Ordinance 12076, Section 30, and continued pursuant to section 9
371 of this ordinance for the purpose of paying and securing the payment of the Parity Bonds.

372 "Parity Bond Reserve Account" means the bond reserve account in the Parity
373 Bond Fund securing the payment of the Parity Bonds.

374 "Parity Bonds" means the bonds identified in Attachment A, Section I, to this
375 ordinance, together with: (a) any Bonds issued under this ordinance with a lien on
376 Revenue of the System equal to the lien thereon of those bonds; and (b) any Future Parity

377 Bonds. "Parity Bonds" include any Parity Payment Agreements and parity
378 reimbursement agreements entered into with the provider of a Credit Facility securing
379 any Parity Bonds.

380 "Parity Lien Obligation Bond Fund" means the "Water Quality Limited Tax
381 General Obligation Bond Redemption Fund" established pursuant to Ordinance 11241,
382 Section 8, and continued pursuant to section 10 of this ordinance, to provide for payment
383 of Parity Lien Obligations.

384 "Parity Lien Obligation Payment Agreement" means a Payment Agreement under
385 which the county's payment obligations are expressly stated to constitute a charge and
386 lien on Revenue of the System equal in rank with the charge and lien on Revenue of the
387 System securing amounts required to be paid into the Parity Lien Obligation Bond Fund
388 to pay and secure the payment of principal of and interest on the Parity Lien Obligations.

389 "Parity Lien Obligation Term Bonds" means Parity Lien Obligations that are
390 Term Bonds.

391 "Parity Lien Obligations" means bonds identified in Attachment A, Section II, to
392 this ordinance, together with: (a) any Bonds issued under this ordinance with a lien on
393 Revenue of the System equal to the lien thereon of those bonds; and (b) any Future Parity
394 Lien Obligations. "Parity Lien Obligations" include any Parity Lien Obligation Payment
395 Agreements and parity reimbursement agreements entered into with the provider of a
396 Credit Facility securing any Parity Lien Obligations.

397 "Parity Payment Agreement" means a Payment Agreement under which the
398 county's payment obligations are expressly stated to constitute a charge and lien on
399 Revenue of the System equal in rank with the charge and lien on Revenue of the System

400 securing amounts required to be paid into the Parity Bond Fund to pay and secure the
401 payment of principal of and interest on the Parity Bonds.

402 "Parity Term Bonds" means Parity Bonds that are Term Bonds.

403 "Participant" means each city, town, county, water-sewer district, municipal
404 corporation, person, firm, private corporation or other entity that disposes of any portion
405 of its sanitary sewage into the System and has entered into a Service Agreement with the
406 county.

407 "Payment Agreement" means, to the extent permitted from time to time by
408 applicable law, a written agreement entered into by the county: (a) in connection with or
409 incidental to the issuance, incurring or carrying of bonds or other obligations of the
410 county secured in whole or in part by a lien on Revenue of the System; (b) for the
411 purpose of managing or reducing the county's exposure to fluctuations or levels of
412 interest rates, currencies or commodities or for other interest rate, investment, asset or
413 liability management purposes; (c) with a Qualified Counterparty; and (d) which
414 provides, on either a current or forward basis, for an exchange of payments determined in
415 accordance with a formula specified therein.

416 "Payment Agreement Payments" means the amounts periodically required to be
417 paid by the county to the Qualified Counterparty pursuant to a Payment Agreement. The
418 term "Payment Agreement Payments" does not include any termination payment required
419 to be paid with respect to a Payment Agreement.

420 "Payment Agreement Receipts" means the amounts periodically required to be
421 paid by the Qualified Counterparty to the county pursuant to a Payment Agreement.

422 "Permitted Investments" means any investment permitted by law, but only to the
423 extent that the same are acquired at Fair Market Value.

424 "Professional Utility Consultant" means a licensed professional engineer, a
425 Certified Public Accountant, or other independent person or firm selected by the county
426 having a favorable reputation for skill and experience with sewer systems of comparable
427 size and character to the System in such areas as are relevant to the purposes for which
428 they are retained.

429 "Project Bonds" means the bonds of the county authorized by this ordinance to be
430 issued in an aggregate principal amount not to exceed \$1,000,000,000 to pay costs of
431 acquiring and constructing improvements to the System, and any bond anticipation notes,
432 commercial paper or other interim financing issued in advance thereof to be repaid from
433 the proceeds of such bonds. The Project Bonds may be issued in one or more Series of
434 Parity Bonds or Parity Lien Obligations, as provided in this ordinance.

435 "Public Works Board Loans" means loans to the county by the State Department
436 of Commerce under the Public Works Board loan program pursuant to loan agreements
437 in effect as of the effective date of this ordinance and any loan agreements hereafter
438 entered into by the county under the Public Works Board loan program, the repayment
439 obligations of which are secured by a lien on Revenue of the System equal to the lien
440 thereon established by such loan agreements in effect as of the effective date of this
441 ordinance.

442 "Qualified Counterparty" means with respect to a Payment Agreement an entity:
443 (a) whose senior long-term debt obligations, other senior unsecured long-term obligations
444 or claims paying ability, or whose payment obligations under a Payment Agreement are

445 guaranteed by an entity whose senior long-term debt obligations, other senior unsecured
446 long-term obligations or claims paying ability, are rated, at the time the Payment
447 Agreement is entered into, at least as high as A3 by Moody's and A- by S&P, and A- by
448 Fitch for any Parity Lien Obligation Payment Agreement, or the equivalent thereof by
449 any successor thereto; and (b) who is otherwise qualified to act as the other party to a
450 Payment Agreement under any applicable laws of the State.

451 "Qualified Insurance" means any unconditional municipal bond insurance policy
452 or surety bond issued by any insurance company licensed to conduct an insurance
453 business in any state of the United States or by a service corporation acting on behalf of
454 one or more such insurance companies, which insurance company or service corporation,
455 as of the time of issuance of such policy or surety bond, is then rated in one of the two
456 highest rating categories by Moody's, S&P, and any other rating agency then maintaining
457 a rating on the Parity Bonds and maintains a policy owner's surplus in excess of
458 \$500,000,000.

459 "Qualified Letter of Credit" means any irrevocable letter of credit issued by a
460 bank for the account of the county and for the benefit of the registered owners of Parity
461 Bonds, provided that such bank maintains an office, agency or branch in the United
462 States, and provided further, that as of the time of issuance of such letter of credit, such
463 bank is currently rated in one of the two highest rating categories by Moody's, S&P, and
464 any other rating agency then maintaining a rating on the Parity Bonds.

465 "Rate Stabilization Fund" means the fund of that name created pursuant to
466 Ordinance 12314, Section 13.D., and continued pursuant to section 13.B. of this
467 ordinance.

468 "RCW" means the Revised Code of Washington.

469 "Rebate Amount" means the amount, if any, determined to be payable with
470 respect to the Bonds by the county to the United States of America in accordance with
471 Section 148(f) of the Code.

472 "Record Date" means, except as otherwise set forth in the applicable Sale
473 Document, for an interest or principal payment date or for a maturity date, the 15th day of
474 the calendar month next preceding that date. With respect to redemption of a Bond prior
475 to its maturity, "Record Date" means the Registrar's close of business on the date on
476 which the Registrar sends notice of the redemption.

477 "Refunded Bonds" means, for each Series of Refunding Bonds, all or a portion of
478 the Refunding Candidates that will be refunded, including by purchase or exchange, with
479 proceeds of or in exchange for that Series of Bonds, as determined by the Finance
480 Director pursuant to sections 16 and 28 of this ordinance and set forth in a closing
481 certificate or a Refunding Agreement in accordance with sections 16 and 28 of this
482 ordinance.

483 "Refunding Account" means any account authorized to be created pursuant to
484 section 16 of this ordinance to provide for the refunding of any Refunded Bonds.

485 "Refunding Agreement" means a refunding trust agreement entered into between
486 the county and a Refunding Trustee in connection with the refunding of Refunded Bonds.

487 "Refunding Bonds" means the bonds authorized to be issued by this ordinance to
488 be issued in one or more series to refund the Refunded Bonds, including by purchase or
489 exchange. The Refunding Bonds may be issued in one or more Series of Parity Bonds or
490 Parity Lien Obligations, as provided in this ordinance.

491 "Refunding Candidates" means any Parity Bonds, Parity Lien Obligations, Junior
492 Lien Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, Subordinate Lien
493 Obligations, SRF Loans, or Public Works Board Loans, and any bond anticipation notes,
494 commercial paper or other interim financing issued in advance thereof to be repaid from
495 the proceeds of such bonds identified by the Finance Director as Refunding Candidates,
496 whether currently outstanding or issued after the effective date of this ordinance,
497 including any Series of Bonds issued under this ordinance.

498 "Refunding Trustee" means each corporate trustee chosen pursuant to the
499 provisions of section 16 of this ordinance to serve as refunding trustee or escrow agent in
500 connection with the refunding of Refunded Bonds.

501 "Registered Owner" means, with respect to a Bond, the person in whose name
502 that Bond is registered on the Bond Register.

503 "Registrar" means, unless otherwise designated in the Sale Document, the fiscal
504 agent of the State, as the same may be designated by the State from time to time, for the
505 purposes of registering and authenticating the Bonds, maintaining the Bond Register,
506 effecting the transfer of ownership of the Bonds and paying principal of and premium, if
507 any, and interest on the Bonds.

508 "Reserve Requirement" means \$0, except as otherwise set forth in any Sale
509 Document, or other ordinance or sale document authorized under such ordinance;
510 provided, the Reserve Requirement amount may in no event exceed maximum Annual
511 Parity Debt Service.

512 "Revenue Fund" means the "Water Quality Operating Account" as designated by
513 Ordinance 12076, Section 30.

514 "Revenue of the System" means all the earnings, revenues and money received by
515 the county from or on account of the operations of the System and the income from the
516 investment of money in the Revenue Fund or any account within such fund, but shall not
517 include any money collected pursuant to the Service Agreements applicable to
518 administrative costs of the county other than costs of administration of the System. For
519 certain purposes described in section 13.B. of this ordinance, deposits from the Rate
520 Stabilization Fund into the Revenue Fund may be included in calculations of "Revenue of
521 the System."

522 "Rule" means Securities and Exchange Commission Rule 15c2-12 under the Securities
523 and Exchange Act of 1934, as the same may be amended from time to time.

524 "S&P" means S&P Global Ratings and its successors and assigns, except that if
525 such entity is dissolved or liquidated or no longer performs the functions of a securities
526 rating agency, then the term "S&P" will be deemed to refer to any other nationally
527 recognized securities rating agency selected by the county.

528 "Sale Document" means the Bond Purchase Agreement, Certificate of Award or
529 Loan Agreement, as applicable, for a Series of Bonds.

530 "Securities Depository" means DTC, any successor thereto, any substitute
531 securities depository selected by the county that is qualified under applicable laws and
532 regulations to provide the services proposed to be provided by it, or the nominee of any
533 of the foregoing.

534 "Series" means any series of Parity Bonds or Parity Lien Obligations.

535 "Service Agreements" means the sewage disposal agreements entered into
536 between the county and municipal corporations, persons, firms, private corporations, or

537 governmental agencies providing for the disposal by the county of sewage collected from
538 such contracting parties.

539 "SRF Loans" means loans to the county by the State Department of Ecology
540 pursuant to loan agreements in effect as of the effective date of this ordinance and any
541 loans and loan agreements hereafter entered into by the county under the State water
542 pollution control revolving fund loan program, the repayment obligations of which are
543 secured by a lien on Revenue of the System equal to the lien thereon established by such
544 loan agreements in effect as of the effective date of this ordinance.

545 "State" means the State of Washington.

546 "Subordinate Lien Obligations" means those revenue bonds or other revenue
547 obligations that may be issued by the county in the future with a lien on Revenue of the
548 System junior and inferior to the lien thereon of the Multi-Modal LTGO/Sewer Revenue
549 Bonds, and payable from Revenue of the System that is available after first making the
550 payments required to be made under paragraph "First" through "Seventh" but before
551 making the payments required to be made under paragraph "Ninth" of section 14 of this
552 ordinance.

553 "System" means the sewers and sewage disposal facilities now or hereafter
554 acquired, constructed, used or operated by the county for the purpose of carrying out the
555 Comprehensive Plan.

556 "Taxable Obligations" means the Bonds of any Series determined to be issued on
557 a taxable basis pursuant to section 28 of this ordinance.

558 "Tax-Advantaged Obligations" means the Bonds of any Series determined to be
559 issued upon a tax-advantaged basis pursuant to section 28 of this ordinance.

560 "Tax-Exempt Obligations" means the Bonds of any Series determined to be
561 issued on a tax-exempt basis pursuant to section 28 of this ordinance.

562 "Term Bonds" means those bonds identified as such in the applicable Sale
563 Document, the principal of which is amortized by a schedule of mandatory redemptions.

564 "Trustee" means a trustee for the Parity Bonds authorized to be appointed by
565 registered owners of Parity Bonds, as provided by this ordinance.

566 "Variable Rate Parity Bonds" means Parity Bonds bearing interest at a variable
567 rate of interest, provided that at least one of the following conditions is met: (a) at the
568 time of issuance the county has entered into a Payment Agreement with respect to such
569 Parity Bonds, which Payment Agreement converts the effective interest rate to the county
570 on the Variable Rate Parity Bonds from a variable interest rate to a fixed interest rate; or
571 (b) the Parity Bonds bear interest at a variable rate but are issued concurrently in equal
572 par amounts with other Parity Bonds bearing interest at a variable rate and are required to
573 remain outstanding in equal amounts at all times, if the net effect of such equal par
574 amounts and variable rates at all times is a fixed rate of interest to the county.

575 "Variable Rate Parity Lien Obligations" means Parity Lien Obligations bearing
576 interest at a variable rate of interest, provided that at least one of the following conditions
577 is met: (a) at the time of issuance the county has entered into a Payment Agreement with
578 respect to such Parity Lien Obligations, which Payment Agreement converts the effective
579 interest rate to the county on the Variable Rate Parity Lien Obligations from a variable
580 interest rate to a fixed interest rate; or (b) the Parity Lien Obligations bear interest at a
581 variable rate but are issued concurrently in equal par amounts with other Parity Lien
582 Obligations bearing interest at a variable rate and which are required to remain

583 outstanding in equal amounts at all times, if the net effect of such equal par amounts and
584 variable rates at all times is a fixed rate of interest to the county.

585 "WIFIA" means the Water Infrastructure Finance and Innovation Act, § 5021 et
586 seq. of Public Law 113-121, codified as 33 U.S.C. §§ 3901-3914, as amended from time
587 to time.

588 SECTION 2. Findings. The county council hereby makes the following
589 findings:

590 A. Because conditions in the capital markets are volatile, it is in the best
591 interests of the county and ratepayers of the System that the county retain the flexibility
592 to issue the Bonds in one or more Series, as Parity Bonds or Parity Lien Obligations, to
593 maximize interest rate savings and, where possible, to achieve further savings by
594 refunding all or some of the Refunding Candidates, including by purchase or exchange.

595 B. To achieve this flexibility, it is in the best interests of the county and
596 ratepayers of the System to delegate to the Finance Director the authority to sell the
597 Bonds in one or more Series, as Parity Bonds or Parity Lien Obligations, as Tax-Exempt
598 Obligations, Tax-Advantaged Obligations or Taxable Obligations, by competitive bid or
599 negotiated sale, or to the federal government or another purchaser, for current or future
600 delivery, and to identify any Refunding Candidates to be refunded, including by purchase
601 or exchange, in consultation with the county's financial advisors and consistent with
602 terms and parameters established by this ordinance and county debt policy.

603 SECTION 3. Authorization of Bonds. To provide funds necessary to pay costs
604 of acquiring, constructing and equipping improvements, additions or betterments to the
605 System as set forth in the Comprehensive Plan and the Capital Improvement Budget, the

606 county is authorized to issue one or more Series of Project Bonds in an aggregate
607 principal amount not to exceed \$1,000,000,000. To provide funds to refund any of the
608 Refunding Candidates, including by purchase or exchange, the county is authorized to
609 issue one or more Series of Refunding Bonds in principal amounts to be established
610 within the parameters provided in sections 16 and 28 of this ordinance.

611 The Bonds may be issued in one or more Series of Parity Bonds or Parity Lien
612 Obligations, as provided in section 28 of this ordinance. Except as otherwise provided in
613 a Sale Document, each such Series of Parity Bonds shall be designated as "King County,
614 Washington, Sewer Revenue [and Refunding] Bonds [Bond Anticipation Notes]" with an
615 applicable year and Series designation, and each such Series of Parity Lien Obligations
616 shall be designated as "King County Limited Tax General Obligation [and Refunding]
617 Bonds [Bond Anticipation Notes] (Payable from Sewer Revenues)" with an applicable
618 year and Series designation. The Bonds shall be fully registered as to both principal and
619 interest; shall be in the denomination of \$5,000 or any integral multiple thereof within a
620 single Series, maturity and interest rate, except as provided in the Sale Document,
621 provided that no Bond shall represent more than one maturity within a Series; shall be
622 numbered separately in such manner and with any additional designation as the Registrar
623 deems necessary for purposes of identification; and shall be dated the date and mature on
624 the dates, in the years and in the amounts approved by the Finance Director, subject to the
625 parameters set forth in section 28.E. of this ordinance.

626 Each Series of Bonds shall bear interest, computed, unless otherwise provided in
627 the Sale Document, on the basis of a 360-day year of twelve 30-day months, from their
628 dated date, payable on interest payment dates and at the rate or rates approved by the

629 Finance Director, subject to the parameters set forth in section 28.E. of this ordinance.
630 The Accreted Values of any Bonds that are Capital Appreciation Bonds shall be set forth
631 in a Sale Document.

632 SECTION 4. Registration, Exchange and Payments.

633 A. Registrar/Bond Register. Unless otherwise specified in the Sale
634 Document, the county, in accordance with K.C.C. chapter 4.84, adopts for the Bonds the
635 system of registration specified and approved by the Washington State Finance
636 Committee, which utilizes the fiscal agent of the State as Registrar. The Registrar shall
637 keep, or cause to be kept, at its designated corporate trust office, the Bond Register,
638 which shall be open to inspection by the county at all times. The Bond Register shall
639 contain the name and mailing address of the Registered Owner of each Bond and the
640 principal amount and number of each of the Bonds held by each Registered Owner. The
641 Registrar is authorized, on behalf of the county, to authenticate and deliver Bonds
642 transferred or exchanged in accordance with the provisions of the Bonds and this
643 ordinance, to serve as the county's paying agent for the Bonds and to carry out all of the
644 Registrar's powers and duties under this ordinance.

645 The Registrar shall be responsible for the representations contained in its
646 Certificate of Authentication on the Bonds. The Registrar may become the Owner of
647 Bonds with the same rights it would have if it were not the Registrar and, to the extent
648 permitted by law, may act as depository for and permit any of its officers or directors to
649 act as members of, or in any other capacity with respect to, any committee formed to
650 protect the rights of Owners.

651 B. Registered Ownership. The Bonds shall be issued only in registered form
652 as to both principal and interest and shall be recorded on the Bond Register. The county
653 and the Registrar, each in its discretion, may deem and treat the Registered Owner of
654 each Bond as the absolute owner thereof for all purposes, and neither the county nor the
655 Registrar shall be affected by any notice to the contrary. Payment of each Bond shall be
656 made as described in subsection D. of this section, but registration of ownership of each
657 Bond may be transferred as provided herein. All payments made as described in
658 subsection D. of this section shall be valid and shall satisfy and discharge the liability of
659 the county upon such Bond to the extent of the amount or amounts so paid.

660 C. Use of Depository. Unless otherwise specified in the Sale Document, the
661 Bonds initially shall be registered in the name of Cede & Co., as the nominee of DTC.
662 Each Bond registered in the name of the Securities Depository shall be held fully
663 immobilized in book-entry only form by the Securities Depository in accordance with the
664 provisions of the Letter of Representations. Neither the county nor the Registrar shall
665 have any obligation to participants of any Securities Depository or the persons for whom
666 they act as nominees regarding the accuracy of any records maintained by the Securities
667 Depository or its participants. Neither the county nor the Registrar shall be responsible
668 for any notice that is permitted or required to be given to the Registered Owner of any
669 Bond registered in the name of the Securities Depository except such notice as is required
670 to be given by the Registrar to the Securities Depository.

671 If and for so long as the Bonds are registered in the name of the Securities
672 Depository, the Securities Depository shall be deemed to be the Registered Owner for all
673 purposes hereunder, and all references to Registered Owners shall mean the Securities

674 Depository and shall not mean the Beneficial Owners. Registered ownership of any
675 Bond registered in the name of the Securities Depository may not be transferred except:
676 (a) to any successor Securities Depository; (b) to any substitute Securities Depository
677 appointed by the county; or (c) to any person if the Bond is no longer to be held by a
678 Securities Depository.

679 Upon the resignation of the Securities Depository, or upon a termination of the
680 services of the Securities Depository by the county, the county may appoint a substitute
681 Securities Depository. If the Securities Depository resigns and the county does not
682 appoint a substitute Securities Depository, or if the county terminates the services of the
683 Securities Depository, the Bonds no longer shall be held in book-entry only form and the
684 registered ownership of each Bond may be transferred to any person as provided in this
685 ordinance or as set forth in the Sale Document.

686 D. Place and Medium of Payment. Principal of and premium, if any, and
687 interest on the Bonds are payable in lawful money of the United States of America.
688 Principal of and premium, if any, and interest on each Bond registered in the name of the
689 Securities Depository are payable in the manner set forth in the Letter of Representations.
690 Unless otherwise specified in the Sale Document, interest on each Bond not registered in
691 the name of the Securities Depository is payable by electronic transfer on the interest
692 payment date, or by check or draft of the Registrar mailed on the interest payment date to
693 the Registered Owner at the address appearing on the Bond Register on the Record Date.
694 The county is not required to make electronic transfers except pursuant to a request by a
695 Registered Owner in writing received on or prior to the Record Date and at the sole
696 expense of the Registered Owner. Unless otherwise specified in the Sale Document,

697 principal of and premium, if any, on each Bond not registered in the name of the
698 Securities Depository are payable upon presentation and surrender of the Bond by the
699 Registered Owner to the Registrar at maturity or upon prior redemption in full.

700 E. Transfer or Exchange of Registered Ownership; Change in
701 Denominations. The registered ownership of any Bond may be transferred or exchanged,
702 but no transfer of any Bond shall be valid unless it is surrendered to the Registrar with the
703 assignment form appearing on such Bond duly executed by the Registered Owner or such
704 Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon
705 such surrender, the Registrar shall cancel the surrendered Bond and shall authenticate and
706 deliver, without charge to the Registered Owner or transferee therefor, a new Bond or
707 Bonds, at the option of the new Registered Owner, of the same Series, date, maturity and
708 interest rate and for the same aggregate principal amount in any authorized denomination,
709 naming as Registered Owner the person or persons listed as the assignee on the
710 assignment form appearing on the surrendered Bond, in exchange for such surrendered
711 and cancelled Bond. Any Bond may be surrendered to the Registrar and exchanged,
712 without charge, for an equal aggregate principal amount of Bonds of the same Series,
713 date, maturity and interest rate, in any authorized denomination. The Registrar shall not
714 be obligated to exchange or transfer any Bond after the Record Date for any principal
715 payment or redemption date, or, in the case of any proposed redemption of a Bond, after
716 mailing of the notice of the call of the Bond for redemption.

717 SECTION 5. Redemption Provisions; Purchase of Bonds.

718 A. Optional Redemption. All or some of the Bonds of a Series may be
719 subject to redemption, including extraordinary redemption, prior to their stated maturity

720 dates at the option of the county at the times and on the terms set forth in the Sale
721 Document.

722 B. Mandatory Redemption. The county shall redeem any Term Bonds, if not
723 redeemed under the optional redemption provisions set forth in the Sale Document or
724 purchased under the provisions set forth herein, randomly, or in such other manner as set
725 forth in the Sale Document or as the Registrar shall determine, at par plus accrued interest
726 on the dates and in the years and principal amounts set forth in the Sale Document.

727 If the county redeems Term Bonds under the optional redemption provisions set
728 forth in the Sale Document or purchases for cancellation or defeases Term Bonds, the
729 Term Bonds so redeemed, purchased or defeased, irrespective of their redemption or
730 purchase prices, shall, unless otherwise provided in the Sale Document, be credited
731 against one or more scheduled mandatory redemption amounts for those Term Bonds.
732 The county shall determine the manner in which the credit is to be allocated and shall
733 notify the Registrar in writing of its allocation.

734 C. Partial Redemption. Whenever less than all of the Bonds of a single
735 maturity of a Series are to be redeemed, the Securities Depository shall select the Bonds
736 registered in the name of the Securities Depository to be redeemed in accordance with the
737 Letter of Representations, and the Registrar shall select all other Bonds to be redeemed
738 randomly, or in such other manner set forth in the Sale Document or as the Registrar shall
739 determine.

740 Portions of the principal amount of any Bond, in integral amounts of \$5,000
741 within a Series and maturity, may be redeemed, unless otherwise provided in the Sale
742 Document. If less than all of the principal amount of any Bond is redeemed, upon

743 surrender of that Bond to the Registrar, there shall be issued to the Registered Owner,
744 without charge therefor, a new Bond or Bonds, at the option of the Registered Owner, of
745 the same Series, maturity and interest rate in any authorized denomination in the
746 aggregate total principal amount of such Bond remaining outstanding.

747 D. Purchase. The county reserves the right and option to purchase for cash or
748 exchange consideration any or all of the Bonds offered to the county at any time at any
749 price acceptable to the county plus accrued interest to the date of purchase.

750 SECTION 6. Notice and Effect of Redemption. Notice of redemption of each
751 Bond registered in the name of the Securities Depository shall be given in accordance
752 with the Letter of Representations. Notice of redemption of each other Bond, unless
753 waived by the Registered Owner, shall be given by the Registrar not less than 20 nor
754 more than 60 days prior to the date fixed for redemption by first-class mail, postage
755 prepaid, to the Registered Owner at the address appearing on the Bond Register on the
756 Record Date, except as otherwise set forth in the Sale Document. The requirements of
757 the preceding sentences shall be deemed to have been fulfilled when notice has been
758 mailed as so provided, whether or not it is actually received by any Owner. Notice of
759 redemption shall also be mailed or sent electronically within the same period to the
760 MSRB, to any nationally recognized rating agency then maintaining a rating on the
761 Bonds at the request of the county, and to such other persons and with such additional
762 information as the Finance Director shall determine, but such further notice shall not be a
763 condition precedent to the redemption of any Bond.

764 In the case of an optional redemption, the notice of redemption may state that the
765 county retains the right to rescind the redemption notice and the redemption by giving a

766 notice of rescission to the affected Registered Owners at any time on or prior to the date
767 fixed for redemption. Any notice of optional redemption that is so rescinded shall be of
768 no effect, and each Bond for which a notice of optional redemption has been rescinded
769 shall remain outstanding.

770 Interest on each Bond called for redemption shall cease to accrue on the date fixed
771 for redemption, unless either the notice of optional redemption is rescinded as set forth
772 above, or money sufficient to effect such redemption is not on deposit in the Parity Bond
773 Fund or the Parity Lien Obligation Bond Fund, as applicable, or in a trust account
774 established to refund or defease the Bond.

775 SECTION 7. Form and Execution of Bonds. Bonds issued as Parity Bonds shall
776 be in substantially the form set forth in Attachment B to this ordinance. Bonds issued as
777 Parity Lien Obligations shall be in substantially the form set forth in Attachment C to this
778 ordinance. The Bonds shall be signed by the county executive and the clerk of the county
779 council, either or both of whose signatures may be manual or in facsimile, and the seal of
780 the county or a facsimile reproduction thereof shall be impressed or printed thereon.

781 Only a Bond bearing a Certificate of Authentication in the form set forth in
782 Attachment B or Attachment C to this ordinance, as applicable, manually signed by the
783 Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this
784 ordinance. The authorized signing of a Certificate of Authentication shall be conclusive
785 evidence that the Bond so authenticated has been duly executed, authenticated and
786 delivered and is entitled to the benefits of this ordinance.

787 If any officer whose manual or facsimile signature appears on a Bond ceases to be
788 an officer of the county authorized to sign bonds before the Bond bearing that officer's

789 manual or facsimile signature is authenticated by the Registrar or issued or delivered by
790 the county, that Bond nevertheless may be authenticated, issued and delivered and, when
791 authenticated, issued and delivered, shall be as binding on the county as though that
792 person had continued to be an officer of the county authorized to sign bonds. Any Bond
793 also may be signed on behalf of the county by any person who, on the actual date of
794 signing of the Bond, is an officer of the county authorized to sign bonds, although such
795 officer did not hold the required office on the dated date of the Bond.

796 SECTION 8. Lost, Stolen or Destroyed Bonds. If any Bond is lost, stolen or
797 destroyed, the Registrar may authenticate and deliver a new Bond or Bonds of like
798 amount, date, Series, interest rate and tenor to the Registered Owner thereof upon the
799 Registered Owner paying the expenses and charges of the county and the Registrar in
800 connection therewith and upon filing with the Registrar evidence satisfactory to the
801 Registrar that such Bond was actually lost, stolen or destroyed and of registered
802 ownership thereof, and upon furnishing the county and the Registrar with indemnity
803 satisfactory to the Finance Director and the Registrar.

804 SECTION 9. Parity Bond Fund. A special fund of the county known as the
805 "Water Quality Revenue Bond Account" (the "Parity Bond Fund") has heretofore been
806 created and is hereby continued, along with the accounts therein described in this section.
807 The Parity Bond Fund is at all times completely segregated and set apart from all other
808 funds and accounts of the county and is a trust fund for the security and payment of
809 principal of and premium, if any, and interest on Parity Bonds. All money credited to the
810 Parity Bond Fund is pledged and ordered to be used for the sole purpose of paying the
811 principal of and premium, if any, and interest on Parity Bonds.

812 A. Debt Service Account. A "Debt Service Account" has heretofore been
813 established in the Parity Bond Fund. The county hereby obligates and binds itself to set
814 aside and pay into that account out of Revenue of the System amounts sufficient, together
815 with accrued interest, if any, received at the time of delivery of any Series of Bonds that
816 are Parity Bonds and deposited therein, income from the investment of money in the Debt
817 Service Account and Parity Bond Reserve Account, and any other money on deposit in
818 the Debt Service Account and legally available, to pay the principal of and interest on
819 outstanding Parity Bonds as the same become due and payable.

820 For each Series of the Bonds that are Parity Bonds there is hereby authorized to
821 be created a special subaccount in the Debt Service Account. All money required by this
822 subsection A. to be deposited into the Debt Service Account for the payment of principal
823 of and interest on that Series of the Bonds shall be deposited into the subaccount created
824 for the Series, and the county hereby covenants to budget for each such payment of
825 principal and interest when due. Money in the subaccount will be treated in all respects
826 as all other money in the Debt Service Account, but will be accounted for separately for
827 the purpose of calculating any Rebate Amount payable with respect to that Series of the
828 Bonds.

829 Payments on account of each Series of the Bonds that are Parity Bonds will be
830 made out of Revenue of the System into the applicable debt service subaccount in the
831 Parity Bond Fund on or before the day each payment of interest on or principal of those
832 Bonds is due.

833 Notwithstanding the foregoing, the county may in its discretion establish and
834 designate such funds, including accounts and subaccounts contained therein, as deemed

835 expedient to pay the principal of and premium, if any, and interest on Parity Bonds as the
836 same become due and payable; provided, however, that the money in such funds,
837 accounts, and subaccounts must at all times be accounted for separately as necessary to
838 satisfy the provisions of this ordinance.

839 B. Term Bond Provisions. If any Bonds issued as Parity Bonds are
840 designated as Term Bonds pursuant to section 28 of this ordinance, the Sale Document
841 for that Series of Bonds shall set forth a mandatory redemption schedule to amortize the
842 principal of those Parity Term Bonds. Payments of principal of Parity Term Bonds under
843 any such mandatory redemption schedule shall be made from the Debt Service Account,
844 as provided in subsection A. of this section, to the extent not credited pursuant to section
845 5.B. of this ordinance.

846 The county covenants that if it issues any Future Parity Bonds as Term Bonds, it
847 will identify those Future Parity Bonds as Parity Term Bonds in the proceedings
848 authorizing their issuance and establish a schedule of mandatory redemptions, payable
849 from the Debt Service Account, to amortize the principal of the Parity Term Bonds prior
850 to their maturity.

851 C. Parity Bond Reserve Account. A Parity Bond Reserve Account has
852 heretofore been established in the Parity Bond Fund. The county hereby pledges that it
853 will pay into and maintain in the Parity Bond Reserve Account, an amount that, together
854 with other funds in the Parity Bond Reserve Account, will be at least equal to the Reserve
855 Requirement. The county may substitute Qualified Insurance or a Qualified Letter of
856 Credit for amounts required to be paid into or maintained in the Parity Bond Reserve
857 Account. The Qualified Letter of Credit or Qualified Insurance must not be cancelable

858 on less than five years' notice. In the event of any cancellation, the Parity Bond Reserve
859 Account will be funded in accordance with the provisions of this section providing for
860 payment in the event of a deficiency therein, as if the Parity Bonds that remain
861 outstanding had been issued on the date of such notice of cancellation.

862 On the date of Closing of a Series of Bonds that are Parity Bonds, an amount
863 sufficient to satisfy the Reserve Requirement, in the Parity Bond Reserve Account
864 required by the issuance of that Series of Bonds must be deposited therein from the
865 proceeds of Parity Bonds or other funds available therefor or provided for by Qualified
866 Insurance or a Qualified Letter of Credit, as herein permitted.

867 If there is a deficiency in the Debt Service Account to make any payment when
868 due of either principal of or interest on any Parity Bonds, the deficiency will be made up
869 from the Parity Bond Reserve Account by the withdrawal of money therefrom and by the
870 sale or redemption of obligations held in the Parity Bond Reserve Account, if necessary,
871 in such amounts as will provide cash in the Parity Bond Reserve Account sufficient to
872 make up any such deficiency. If a deficiency still exists immediately prior to an interest
873 payment date and after the withdrawal of cash, the county will then draw from any
874 Qualified Letter of Credit, Qualified Insurance, or other equivalent credit facility in
875 sufficient amount to make up the deficiency. The draw will be made at such times and
876 under such conditions as the agreement for the Qualified Letter of Credit or Qualified
877 Insurance provides. If more than one Qualified Letter of Credit or Qualified Insurance is
878 available, draws will be made ratably thereon to make up the deficiency. Any deficiency
879 created in the Parity Bond Reserve Account by reason of any such withdrawal must then
880 be made up from Revenue of the System that is available after first making the payments

881 required to be made under paragraph "First" through "Third" of section 14 of this
882 ordinance.

883 Income from the investment of money in the Parity Bond Reserve Account will
884 be deposited in and become a part of the Parity Bond Fund.

885 SECTION 10. Parity Lien Obligation Bond Fund. A special fund of the county
886 known as the "Water Quality Limited Tax General Obligation Bond Redemption Fund"
887 (the "Parity Lien Obligation Bond Fund") has heretofore been created and is hereby
888 continued, along with the accounts therein described in this section. The Parity Lien
889 Obligation Bond Fund is at all times completely segregated and set apart from all other
890 funds and accounts of the county and is a trust fund for the security and payment of
891 principal of and premium, if any, and interest on Parity Lien Obligations. All money
892 credited to the Parity Lien Obligation Bond Fund is pledged and ordered to be used for
893 the sole purpose of paying principal of and premium, if any, and interest on Parity Lien
894 Obligations.

895 A. Debt Service Account. A "Debt Service Account" has heretofore been
896 established in the Parity Lien Obligation Bond Fund. The county hereby obligates and
897 binds itself to set aside and pay into that account out of Revenue of the System amounts
898 sufficient, together with accrued interest, if any, received at the time of delivery of any
899 Series of Bonds issued as Parity Lien Obligations and deposited therein, income from the
900 investment of money in the Debt Service Account and any other money on deposit in the
901 Debt Service Account and legally available, to pay the principal of and interest on
902 outstanding Parity Lien Obligations as the same become due and payable.

903 For each Series of the Bonds issued as Parity Lien Obligations, there is hereby
904 authorized to be created a special subaccount in the Debt Service Account. All money
905 required by this subsection A. to be deposited into the Debt Service Account for the
906 payment of principal of and interest on that Series of the Bonds will be deposited into the
907 subaccount created for the Series, and the county hereby covenants to budget for each
908 such payment of principal and interest when due. Money in that subaccount will be
909 treated in all respects as all other money in the Debt Service Account, but will be
910 accounted for separately for the purpose of calculating any Rebate Amount payable with
911 respect to that Series of the Bonds.

912 Payments on account of each Series of the Bonds issued as Parity Lien
913 Obligations will be made out of Revenue of the System into the applicable debt service
914 subaccount in the Parity Lien Obligation Bond Fund on or before the day each payment
915 of interest on or principal of those Bonds is due.

916 Notwithstanding the foregoing, the county may in its discretion establish and
917 designate such funds, including accounts and subaccounts contained therein, as deemed
918 expedient to pay the principal of and premium, if any, and interest on the Parity Lien
919 Obligations as the same become due and payable; provided, however, that the money in
920 such funds, accounts, and subaccounts must at all times be accounted for separately as
921 necessary to satisfy the provisions of this ordinance.

922 B. Term Bond Provisions. If any Bonds issued as Parity Lien Obligations are
923 designated as Term Bonds pursuant to section 28 of this ordinance, the Sale Document
924 for that Series of Bonds shall set forth a mandatory redemption schedule to amortize the
925 principal of those Parity Lien Obligation Term Bonds. Payments of principal of Parity

926 Lien Obligation Term Bonds under any such mandatory redemption schedule will be
927 made from the Debt Service Account, as provided in subsection A. of this section, to the
928 extent not credited pursuant to section 5.B. of this ordinance.

929 The county covenants that if it issues any Future Parity Lien Obligations as Term
930 Bonds, it will identify those Parity Lien Obligations as Term Bonds in the proceedings
931 authorizing their issuance and establish a schedule of mandatory redemptions, payable
932 from the Debt Service Account, to amortize the principal of those Parity Lien Obligation
933 Term Bonds prior to their maturity.

934 SECTION 11. Pledge of Taxation and Credit. The county hereby irrevocably
935 covenants and agrees that, for as long as any Bonds issued as Parity Lien Obligations are
936 outstanding and unpaid, each year it will include in its budget and levy an ad valorem tax
937 upon all the property within the county subject to taxation in an amount that will be
938 sufficient, together with all other revenues and money of the county legally available for
939 such purposes, to pay the principal of and interest on those Bonds issued as Parity Lien
940 Obligations as the same shall become due. All of the taxes so collected will be paid into
941 the Parity Lien Obligation Bond Fund no later than the date those funds are required for
942 the payment of principal of and interest on the Bonds issued as Parity Lien Obligations.

943 The county hereby irrevocably pledges that the annual tax herein authorized to be
944 levied for the payment of such principal and interest shall be within and a part of the tax
945 levy permitted to counties without a vote of the people, and that a sufficient portion of the
946 taxes to be levied and collected annually by the county prior to the full payment of the
947 principal of and interest on the Bonds issued as Parity Lien Obligations will be and is
948 hereby irrevocably set aside and pledged for the payment of the principal of and interest

949 on those Bonds, and the county hereby covenants to budget for each such payment of
950 principal and interest when due.

951 The full faith, credit and resources of the county are hereby irrevocably pledged
952 for the annual levy and collection of those taxes and for the prompt payment of the
953 principal of and interest on those Bonds issued as Parity Lien Obligations as the same
954 become due.

955 Any Bonds issued hereunder as Parity Bonds are not general obligations of the
956 county, and neither the full faith and credit nor the taxing power of the county are
957 pledged to pay or secure the payment of Bonds issued as Parity Bonds hereunder.

958 SECTION 12. Pledge of Sewer Revenues.

959 A. Parity Bonds. The amounts covenanted to be paid out of Revenue of the
960 System into the Parity Bond Fund and the accounts therein shall constitute a lien and
961 charge on Revenue of the System superior to all other charges of any kind or nature
962 except Operating and Maintenance Expenses, and of equal lien to any charges heretofore
963 or hereafter made on Revenue of the System for the payment of the principal of and
964 interest on any Parity Bonds.

965 If money and investments in the Debt Service Account of the Parity Bond Fund
966 and the Parity Bond Reserve Account are reduced below the amounts required to pay the
967 principal and/or interest then due and payable on any Parity Bonds, funds on deposit in
968 any reserve created in the Revenue Fund not then required for the payment of necessary
969 Operating and Maintenance Expenses will be transferred to the Debt Service Account of
970 the Parity Bond Fund to the extent required to pay that principal and interest.

971 B. Parity Lien Obligations. The amounts covenanted to be paid out of
972 Revenue of the System into the Parity Lien Obligation Bond Fund and the accounts
973 therein shall constitute a lien and charge on Revenue of the System subject to Operating
974 and Maintenance Expenses, and junior, subordinate and inferior to the lien and charge on
975 Revenue of the System for the payments required by the ordinances authorizing the
976 Parity Bonds to be made into the Parity Bond Fund and the accounts therein, and equal to
977 the lien and charge on Revenue of the System for the payments required to be made by
978 the ordinances authorizing the issuance of the outstanding Parity Lien Obligations and
979 any additional Parity Lien Obligations, and superior to all other liens and charges on
980 Revenue of the System whatsoever.

981 SECTION 13. Revenue Fund; Rate Stabilization Fund.

982 A. Revenue Fund. A special fund of the county known as the "Water Quality
983 Operating Account" (the "Revenue Fund") has heretofore been created and is hereby
984 continued. All Revenue of the System will be deposited in the Revenue Fund. All
985 Operating and Maintenance Expenses will be paid out of the Revenue Fund or
986 appropriate reserves therein.

987 B. Rate Stabilization Fund. In anticipation of increases in revenue
988 requirements of the System, a special fund of the county designated as the "Sewer Rate
989 Stabilization Fund" (the "Rate Stabilization Fund") has heretofore been established and is
990 hereby continued. The county may from time to time appropriate or budget amounts in
991 the Revenue Fund for deposit in the Rate Stabilization Fund, as provided in section 14 of
992 this ordinance, and may from time to time withdraw amounts therefrom for deposit in the
993 Revenue Fund to prevent or mitigate sewer rate increases or for other lawful purposes of

994 the county related to the System, including calculations of "Net Revenue" and "Revenue
995 of the System" for the purposes of satisfying requirements of sections 18, 24, and 25 of
996 this ordinance.

997 For any fiscal year: (a) amounts withdrawn from the Revenue Fund and deposited
998 into the Rate Stabilization Fund for that fiscal year must be subtracted from Net Revenue
999 for that fiscal year; and (b) amounts withdrawn from the Rate Stabilization Fund and
1000 deposited in the Revenue Fund for that fiscal year may be added to Revenue of the
1001 System for that fiscal year.

1002 SECTION 14. Sewer Revenue Priorities of Payment. So long as any Bond is
1003 outstanding, all Revenue of the System will be deposited into the Revenue Fund and used
1004 and applied in the following order of priority:

1005 First, to pay all Operating and Maintenance Expenses;

1006 Second, to make all required deposits into the Debt Service Account in the Parity
1007 Bond Fund to provide for the payment of principal of and interest on Parity Bonds as the
1008 same become due and payable and to make any Payment Agreement Payments with
1009 respect to any Parity Payment Agreements;

1010 Third, to make all payments required to be made pursuant to a reimbursement
1011 agreement or agreements or other equivalent documents in connection with Qualified
1012 Insurance or a Qualified Letter of Credit; provided, that if there is not sufficient money to
1013 make all payments under such reimbursement agreements, the payments will be made on
1014 a pro rata basis;

1015 Fourth, to establish and maintain the Parity Bond Reserve Account, including
1016 making deposits into such account and paying the costs of obtaining Qualified Insurance
1017 or a Qualified Letter of Credit therefor;

1018 Fifth, to make all required payments of principal of and interest on the Parity Lien
1019 Obligations and to make any Payment Agreement Payments with respect to any Parity
1020 Lien Obligation Payment Agreements;

1021 Sixth, to make all required payments of principal of and interest on the Junior
1022 Lien Obligations as the same become due and payable, to make all Payment Agreement
1023 Payments with respect to any Payment Agreements entered into with respect to Junior
1024 Lien Obligations, and to make any payments required to be made to providers of any
1025 credit enhancements or liquidity facilities for Junior Lien Obligations;

1026 Seventh, to make all required payments of principal of and interest on the Multi-
1027 Modal LTGO/Sewer Revenue Bonds as the same become due and payable, to make all
1028 Payment Agreement Payments for any Payment Agreements entered into with respect to
1029 Multi-Modal LTGO/Sewer Revenue Bonds, and to make any payments required to be
1030 made to providers of credit enhancements or liquidity facilities for any Multi-Modal
1031 LTGO/Sewer Revenue Bonds;

1032 Eighth, to make all required payments of principal of and interest on the
1033 Subordinate Lien Obligations as the same become due and payable;

1034 Ninth, to make all required payments of principal of and interest on bonds, notes,
1035 warrants and other evidences of indebtedness, the lien and charge on Revenue of the
1036 System of which are junior and inferior to the Subordinate Lien Obligations, as the same
1037 become due and payable; and

1038 Tenth, to make all required payments of principal of and interest due on the SRF
1039 Loans and the Public Works Board Loans.

1040 Any surplus money that the county may have on hand in the Revenue Fund after
1041 making all required payments set forth above may be used by the county: (a) to make
1042 necessary improvements, additions and repairs to and extensions and replacements of the
1043 System; (b) to purchase or redeem and retire outstanding sewer revenue bonds of the
1044 county; (c) to make deposits into the Rate Stabilization Fund; or (d) for any other lawful
1045 purposes of the county related to the System.

1046 SECTION 15. Construction Account; Disposition of Bond Proceeds.

1047 A. Construction Account. There has heretofore been created a special fund of
1048 the county known as the Construction Account. For purposes of separately accounting
1049 for investment earnings on the proceeds of the Project Bonds to facilitate compliance
1050 with the requirements of section 21 of this ordinance, there is hereby established for each
1051 Series of Project Bonds issued hereunder a special subaccount within the Construction
1052 Account to be designated as the "Series [applicable year designation] Construction
1053 Subaccount" (each a "Construction Subaccount").

1054 Money in each Construction Subaccount will be held and applied to pay costs of
1055 acquiring, constructing and equipping improvements, additions or betterments to the
1056 System as set forth in the Comprehensive Plan and the Capital Improvement Budget and
1057 all costs incidental thereto, including engineering, architectural, planning, financial, legal,
1058 urban design or any other incidental costs, and to repay any advances heretofore or
1059 hereafter made on account of such costs, provided that if deficiencies exist in the Parity
1060 Bond Fund or Parity Lien Obligation Bond Fund, money in any Construction Subaccount

1061 may be transferred to such fund in any amounts necessary to pay principal of and interest
1062 on Parity Bonds or Parity Lien Obligations, as applicable. Proceeds from the sale of a
1063 Series of Project Bonds may be designated to pay capitalized interest on those Project
1064 Bonds and may be held in the applicable Construction Subaccount or in a trust account to
1065 be established with an escrow agent or refunding trustee appointed by the Finance
1066 Director, as determined by the Finance Director upon the sale of such Series of Project
1067 Bonds.

1068 B. Disposition of Bond Proceeds. The proceeds of each Series of the Bonds
1069 will be deposited as follows:

1070 1. The amount equal to the interest, if any, accruing on each Series of
1071 the Bonds from their dated date to the date of their Closing will be deposited in the
1072 appropriate subaccount for the Series created in the Debt Service Account in the Parity
1073 Bond Fund or Parity Lien Obligation Bond Fund, as applicable;

1074 2. Proceeds of each Series of the Bonds issued as Parity Bonds may
1075 be deposited into the Parity Bond Reserve Account, as determined by the Finance
1076 Director upon the sale of any Bonds issued as Parity Bonds;

1077 3. The balance of the proceeds of any Series of Project Bonds will be
1078 deposited in the appropriate Construction Subaccount, including an escrow account that
1079 may be established for capitalized interest, as provided in subsection A. of this section
1080 and applied as provided therein; provided that the amount of such proceeds allocated by
1081 the Finance Director to pay the costs of issuing such Series of Project Bonds will be
1082 deposited in the appropriate fund or account as determined by the Finance Director, and
1083 used for such purpose; and

1084 4. The balance of the proceeds of any Series of Refunding Bonds will
1085 be deposited into the appropriate Refunding Account and applied as provided in section
1086 16 of this ordinance; provided that the amount of such proceeds allocated by the Finance
1087 Director to pay the costs of issuing such Series of Refunding Bonds will be deposited in
1088 the appropriate fund or account as determined by the Finance Director, and used for such
1089 purpose.

1090 SECTION 16. Refunding Account; Plan of Refunding.

1091 A. Refunding Account; Refunding Authorization. The Finance Director is
1092 hereby authorized to determine whether to (i) transfer the proceeds of the sale of a Series
1093 of the Bonds to the Registrar on or prior to the redemption or purchase date for payment
1094 of the purchase price, principal of and interest coming due on the Refunding Candidates
1095 selected for redemption, including by purchase or exchange, or (ii) establish one or more
1096 special accounts of the county to be maintained with the Refunding Trustee, each to be
1097 known as a "King County [year and Series designation] Sewer Revenue Bonds
1098 Refunding Account" (each a "Refunding Account"). Each Refunding Account will be
1099 drawn upon for the sole purpose of paying the purchase price, principal of and premium,
1100 if any, and interest on, the applicable Refunded Bonds and of paying costs of issuing that
1101 Series of Refunding Bonds and refunding the applicable Refunded Bonds. Proceeds of
1102 the sale of any Refunding Bonds, together with other county funds that may be
1103 designated for that purpose, will be transferred to the Registrar or deposited into the
1104 applicable Refunding Account to provide for refunding the applicable Refunded Bonds,
1105 including by purchase or exchange, in accordance with the ordinances authorizing the
1106 Refunded Bonds and to pay the costs of issuing the Refunding Bonds.

1107 The Finance Director is authorized to determine, in consultation with the county's
1108 financial advisors, which of the Refunding Candidates, if any, are to be refunded or
1109 purchased for cash or exchange consideration and whether such refunding shall be a
1110 current refunding, i.e., the redemption, purchase or exchange of Refunded Bonds paid for
1111 with proceeds of a Series of Bonds issued 90 or fewer days prior to the redemption date
1112 of the Refunded Bonds, or an advance refunding, i.e., the redemption, purchase, or
1113 exchange of Refunded Bonds paid for with proceeds of a Series of Bonds issued more
1114 than 90 days prior to the redemption date of the Refunded Bonds. The Finance Director
1115 is authorized to negotiate and approve terms for the acquisition of Refunding Candidates
1116 by purchase or exchange, and to negotiate, approve, and execute any offer, dealer
1117 manager agreements, or other documents in connection therewith, including amendments
1118 thereto from time to time.

1119 In determining which of the Refunding Candidates, if any, should be refunded
1120 under this ordinance, including by purchase or exchange, in order to effect a saving to the
1121 county and ratepayers of the System, the county council intends that the Finance Director
1122 adhere to the applicable present value savings targets identified in the adopted debt
1123 management policy of the county in effect at the time of sale. These requirements do not
1124 apply to the refunding of any Refunding Candidates, including by purchase or exchange,
1125 when necessary or in the best interest of the county and ratepayers of the System to
1126 modify debt service or reserve requirements, sources of payment, covenants or other
1127 terms of the Refunding Candidates.

1128 B. Plan of Refunding. Each plan of refunding and call for redemption,
1129 purchase or exchange of Refunded Bonds shall be set forth in the Refunding Agreement

1130 or set forth in a closing certificate. Bond proceeds held by the county may be invested
1131 for a period not to exceed 30 days prior to the transfer of such funds to the Registrar to
1132 accomplish the redemption, purchase or exchange and shall be invested by the county
1133 pending such transfer in any investments permitted for funds of the county consistent
1134 with the Federal Tax Certificate or otherwise as approved by the county's bond counsel.
1135 Money in each Refunding Account shall be used immediately upon receipt thereof to
1136 defease the applicable Refunded Bonds and discharge the other obligations of the county
1137 relating thereto under the ordinances that authorized the Refunded Bonds, by providing
1138 for the payment of the principal of and premium, if any, and interest on the Refunded
1139 Bonds as set forth in such agreement. The county will defease such bonds and discharge
1140 such obligations by the use of the money in each Refunding Account to purchase
1141 Government Obligations (should the purchase of such obligations be deemed by the
1142 Finance Director as being in the best interest of the County, and if so purchased,
1143 "Acquired Obligations") bearing interest and maturing as to principal in such amounts
1144 and at such times that, together with any necessary beginning cash balance, will provide
1145 for the payment of such Refunded Bonds, as set forth in the Refunding Agreement. Such
1146 Acquired Obligations shall be purchased at a yield not greater than the yield permitted by
1147 the Code and regulations relating to the obligations acquired in connection with refunding
1148 bond issues.

1149 In connection with any issuance of a Series of Refunding Bonds to carry out the
1150 refunding and defeasance of Refunded Bonds, the Finance Director is hereby authorized
1151 to appoint a Refunding Trustee qualified by law to perform the duties described herein.
1152 Any beginning cash balance and the Acquired Obligations will be irrevocably deposited

1153 with the Refunding Trustee in an amount sufficient to defease the Refunding Bonds in
1154 accordance with this section and the applicable Refunding Agreement.

1155 The county will take such actions as are found necessary to see that all necessary
1156 and proper fees, compensation and expenses of the Refunding Trustee are paid when due.
1157 The proper officers and agents of the county are directed to negotiate an agreement with
1158 each Refunding Trustee setting forth the duties, obligations and responsibilities of the
1159 Refunding Trustee in connection with the redemption and retirement of the Refunded
1160 Bonds as provided herein and setting forth provisions for the payment of the fees,
1161 compensation and expenses of the Refunding Trustee as are satisfactory to it. To carry
1162 out the Refunding Account purposes of this section, the Finance Director is authorized
1163 and directed to execute and deliver to each Refunding Trustee a Refunding Agreement
1164 and, if requested, a costs of issuance agreement, in forms approved by the county's bond
1165 counsel.

1166 C. Required Findings. The Refunding Agreement or closing certificate shall
1167 set forth the findings of the Finance Director made on behalf of the county that the sale of
1168 the Refunding Bonds accomplishes either:

1169 1. savings and defeasance regarding the Refunded Bonds authorized
1170 to be refunded, including by purchase or exchange, from the proceeds of each Series of
1171 Refunding Bonds; or

1172 2. the best interest of the county and ratepayers of the System from
1173 modifying debt service or reserve requirements, sources of payment, covenants or other
1174 terms of the Refunded Bonds authorized to be refunded from the proceeds of each Series
1175 of Refunding Bonds.

1176 SECTION 17. Due Regard for Expenses and Sewer Revenues Pledged. The
1177 county council hereby declares that, in fixing the amounts to be paid into the Parity Bond
1178 Fund and Parity Lien Obligation Bond Fund, as applicable, and the accounts therein, out
1179 of Revenue of the System, it has exercised due regard for the Operating and Maintenance
1180 Expenses and has not obligated the county to set aside in such funds and accounts a
1181 greater amount of Revenue of the System than in its judgment will be available over and
1182 above the Operating and Maintenance Expenses and Revenue of the System previously
1183 pledged.

1184 SECTION 18. Rate Covenants.

1185 A. Parity Bonds. The county hereby covenants with the Registered Owner of
1186 each of the Bonds issued as Parity Bonds that, for so long as any of the same are
1187 outstanding, the county will at all times establish, maintain and collect rates and charges
1188 for sewage disposal service that will provide in each calendar year Net Revenue in an
1189 amount that, together with the interest earned during that calendar year on investments of
1190 money in the Parity Bond Fund, Parity Bond Reserve Account and Construction Account,
1191 will equal or exceed 1.15 times the amount required to pay the Annual Parity Debt
1192 Service for such calendar year.

1193 At all times and in any event, rates and charges for sewage disposal service will
1194 be sufficient to provide funds adequate to operate and maintain the System, to make all
1195 payments and to establish and maintain all reserves required by this or any other
1196 ordinance authorizing obligations of the county payable from Revenue of the System, to
1197 make up any deficit in such payments remaining from prior years and to pay all costs
1198 incurred in the construction or acquisition of any portion of the Comprehensive Plan that

1199 may be ordered by the county and for the payment of which sewer revenue bonds, or
1200 other obligations payable from Revenue of the System, are not issued.

1201 B. Parity Lien Obligations. The county hereby covenants with the Registered
1202 Owner of each of the Bonds issued as Parity Lien Obligations that, for so long as any of
1203 the same are outstanding, the county will at all times establish, maintain and collect rates
1204 and charges for sewage disposal service that will be fair and nondiscriminatory and
1205 adequate to provide Revenue of the System sufficient for the proper operation and
1206 maintenance of the System; for the punctual payment of the principal of and interest on
1207 all outstanding Parity Bonds for which payment has not otherwise been provided and all
1208 amounts that the county is obligated to set aside in the Parity Bond Fund securing the
1209 Parity Bonds; for the punctual payment of the principal of and interest on all outstanding
1210 Parity Lien Obligations and for all amounts that the county is obligated to set aside in the
1211 Parity Lien Obligation Bond Fund; and for the payment of any and all other amounts that
1212 the county is now or may hereafter become obligated to pay from Revenue of the System.

1213 The county hereby further covenants with the Registered Owner of each of the
1214 Bonds issued as Parity Lien Obligations for so long as any of the same are outstanding
1215 that the county will at all times establish, maintain and collect rates and charges for
1216 sewage disposal service that will provide in each calendar year Net Revenue in an
1217 amount that, together with the interest earned during that calendar year on investments
1218 made of money in the Parity Bond Fund, Parity Bond Reserve Account, Parity Lien
1219 Obligation Bond Fund and Construction Account, is equal to at least 1.15 times the
1220 amounts required to pay the Annual Debt Service for such calendar year.

1221 C. Rate Stabilization Fund. In determining compliance with the requirements
1222 of this section, Revenue of the System and Net Revenue shall be calculated by taking into
1223 account deposits and withdrawals from the Rate Stabilization Fund as provided in section
1224 13.B. of this ordinance.

1225 SECTION 19. Certain Other Covenants of the County Regarding the Bonds. The
1226 county hereby covenants with the Registered Owner of each of the Bonds for as long as
1227 any of the Bonds are outstanding, as follows:

1228 A. Maintain in Good Order. The county will cause the System and the
1229 business in connection therewith to be operated in a safe, sound, efficient, and economic
1230 manner in compliance with all health, safety, and environmental laws, regulatory body
1231 rules, regulatory body orders and court orders applicable to the county's operation of the
1232 System, and will cause the System to be maintained, preserved, reconstructed, expanded
1233 and kept, with all appurtenances and every part and parcel thereof, in good repair,
1234 working order and condition, and will from time to time cause to be made, without undue
1235 deferral, all necessary or proper repairs, replacements and renewals, so that at all times
1236 the operation of the System will be properly and advantageously conducted;

1237 B. Books and Records. The county will cause proper books of record and
1238 accounts of operation of the System to be kept, including an annual financial report;

1239 C. Annual Audit. The county will cause its books of accounts, including its
1240 annual financial report, to be audited annually by the State auditor's office or other State
1241 department or agency or Certified Public Accountant as may be authorized and directed
1242 by law to make such audits. If such an audit is not completed within twelve months after
1243 the close of any fiscal year, the county must cause its books of accounts for such fiscal

1244 year, including its annual financial report, to be audited by a Certified Public Accountant.

1245 The county will furnish the audit to the Owner of any Bond upon written request therefor;

1246 D. Insurance. The county will at all times carry fire and extended coverage
1247 and such other forms of insurance on such of the buildings, equipment, facilities and
1248 properties of the System as under good practice are ordinarily carried on such buildings,
1249 equipment, facilities and properties by municipal or privately owned utilities engaged in
1250 the operation of sewer systems and will also carry adequate public liability insurance at
1251 all times, provided that the county may, if deemed advisable by the county council,
1252 institute or continue a self-insurance program for any or all of the aforementioned risks;

1253 E. Construction. The county will cause the construction of any duly
1254 authorized and ordered portions of the Comprehensive Plan to be performed and
1255 completed within a reasonable time and at the lowest reasonable cost;

1256 F. Collection of Revenue. The county will operate and maintain the System
1257 and conduct its affairs so as to entitle it at all times to receive and enforce payment to it
1258 of sewage disposal charges payable: (a) pursuant to the ordinance or ordinances
1259 establishing a tariff of rates and charges for sewage disposal services; and (b) under any
1260 Service Agreement that the county has now or may hereafter enter into and to entitle the
1261 county to collect all revenues derived from the operation of the System. The county shall
1262 not release the obligations of any person, corporation or political subdivision under such
1263 tariff of rates and charges or the Service Agreements and shall at all times, to the extent
1264 permitted by law, defend, enforce, preserve and protect the rights and privileges of the
1265 county and of the registered owners of the Parity Bonds and Parity Lien Obligations
1266 under or with respect thereto.

1267 In accordance with RCW 35.58.200(3), the county shall require any county, city,
1268 special district or other political subdivision to discharge to the System all sewage
1269 collected by that entity from any portion of the Seattle metropolitan area that can drain by
1270 gravity flow into facilities of the System that serve such areas if the county council
1271 declares that the health, safety or welfare of the people within the metropolitan area
1272 require such action;

1273 G. Legal Authority. The county has full legal right, power and authority to
1274 adopt this ordinance, to sell, issue and deliver the Bonds as provided herein, and to carry
1275 out and consummate all other transactions contemplated by this ordinance;

1276 H. Due Authorization. By all necessary official action prior to or
1277 concurrently herewith, the county has duly authorized and approved the execution and
1278 delivery of, and the performance by the county of its obligations contained in, the Bonds
1279 and this ordinance and the consummation by it of all other transactions necessary to
1280 effectuate this ordinance in connection with the issuance of Bonds, and such
1281 authorizations and approvals are in full force and effect and have not been amended,
1282 modified or supplemented in any material respect;

1283 I. Binding Obligation. This ordinance constitutes a legal, valid and binding
1284 obligation of the county;

1285 J. No Conflict. The county's adoption of this ordinance and its compliance
1286 with the provisions contained herein do not and shall not conflict with or constitute a
1287 breach of or default under any constitutional provision, law, administrative regulation,
1288 judgment, decree, loan agreement, indenture, bond, note, resolution, ordinance, Sale
1289 Document, agreement or other instrument to which the county is a party or to which the

1290 county or any of its property or assets are otherwise subject, nor will any such adoption
1291 or compliance result in the creation or imposition of any lien, charge or other security
1292 interest or encumbrance of any nature whatsoever upon any of the property or assets of
1293 the county or under the terms of any such law, regulation or instrument, except as
1294 permitted by this ordinance and the ordinances authorizing the issuance of other Parity
1295 Bonds and Parity Lien Obligations;

1296 K. Performance under Ordinance. None of the proceeds of the Bonds will be
1297 used for any purpose other than as provided in this ordinance, and except as otherwise
1298 expressly provided herein, the county shall not suffer any amendment or supplement to
1299 this ordinance, or any departure from the due performance of the obligations of the
1300 county hereunder, that might materially adversely affect the rights of the Registered
1301 Owners from time to time of the Bonds; and

1302 L. Sale or Disposition. The county will not sell or voluntarily dispose of all
1303 of the operating properties of the System unless provision is made for payment into the
1304 Parity Bond Fund and the Parity Lien Obligation Bond Fund of a sum sufficient to pay
1305 the principal of and interest on all outstanding Parity Bonds and Parity Lien Obligations
1306 in accordance with the terms thereof, nor will the county sell or voluntarily dispose of
1307 any part of the operating properties of the System unless provision is made: (a) for
1308 payment into the Parity Bond Fund of an amount that will bear at least the same
1309 proportion to the amount of the outstanding Parity Bonds that the estimated amount of
1310 any resulting reduction in Revenue of the System for the twelve months following such
1311 sale or disposition bears to the Revenue of the System that would have been realized if
1312 such sale or disposition had not been made; and (b) for payment into the Parity Lien

1313 Obligation Bond Fund of an amount that will bear at least the same proportion to the
1314 amount of the outstanding Parity Lien Obligations that the estimated amount of any
1315 resulting reduction in Revenue of the System for the twelve months following such sale
1316 or disposition bears to the Revenue of the System that would have been realized if such
1317 sale or disposition had not been made. Those estimates must be made by a Professional
1318 Utility Consultant. Any money so paid into the Parity Bond Fund and the Parity Lien
1319 Obligation Bond Fund must be used to retire outstanding Parity Bonds and Parity Lien
1320 Obligations as provided herein at the earliest possible date; provided, however, that the
1321 county may sell or otherwise dispose of any of the works, plant, properties and facilities
1322 of the System or any real or personal property comprising a part of the System with a
1323 value of less than 5% of the net utility plant of the System or that have become
1324 unserviceable, inadequate, obsolete or unfit to be used in the operation of the System, or
1325 no longer necessary, material to or useful in such operation, without making any deposit
1326 into the Parity Bond Fund or Parity Lien Obligation Bond Fund.

1327 SECTION 20. Certain Other Covenants of the County Regarding the Bonds

1328 Issued as Parity Lien Obligations. The county makes the following covenants and

1329 warranties to the Registered Owner of each of the Bonds issued as Parity Lien

1330 Obligations:

1331 A. The Bonds issued as Parity Lien Obligations, when issued, sold,
1332 authenticated and delivered, will constitute legal, valid and binding general obligations of
1333 the county.

1334 B. The county covenants that the Bonds issued as Parity Lien Obligations
1335 will be issued within all statutory and constitutional debt limitations applicable to the
1336 county.

1337 SECTION 21. Federal Tax Law Covenants. The county will take all actions
1338 necessary to assure the tax-advantaged status of the Tax-Advantaged Obligations, or the
1339 exclusion of interest on the Tax-Exempt Obligations from the gross income of the owners
1340 of the Tax-Exempt Obligations to the same extent as such interest is permitted to be
1341 excluded from gross income under the Code as in effect on the date of issuance of the
1342 Tax-Advantaged or Tax-Exempt Obligations, as applicable and as set forth in the Federal
1343 Tax Certificate, including but not limited to the following to the extent applicable:

1344 A. The county will assure that the proceeds of the Tax-Exempt Obligations
1345 are not so used as to cause the Tax-Exempt Obligations issued as governmental bonds to
1346 satisfy the private business tests of Section 141(b) of the Code or the private loan
1347 financing test of Section 141(c) of the Code or to cause any other Tax-Exempt
1348 Obligations to fail to qualify as exempt private activity bonds;

1349 B. The county will not sell or otherwise transfer or dispose of: (i) any
1350 personal property components of the projects financed or refinanced with proceeds of the
1351 Tax-Exempt Obligations (the "Tax-Exempt Projects") other than in the ordinary course of
1352 an established government program under Treasury Regulation § 1.141-2(d)(4); or (ii)
1353 any real property components of the Tax-Exempt Projects, unless it has received an
1354 opinion of nationally recognized bond counsel to the effect that such disposition will not
1355 affect the treatment of interest on the Tax-Exempt Obligations as excludable from gross
1356 income for federal income tax purposes, as applicable;

1357 C. The county will not take any action or permit or suffer any action to be
1358 taken if the result of such action would be to cause any of the Tax-Exempt Obligations to
1359 be "federally guaranteed" within the meaning of Section 149(b) of the Code;

1360 D. The county will take any and all actions necessary to assure compliance
1361 with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if
1362 any, to the federal government;

1363 E. The county will not take, or permit or suffer to be taken, any action with
1364 respect to the proceeds of the Tax-Exempt Obligations which, if such action had been
1365 reasonably expected to have been taken, or had been deliberately and intentionally taken,
1366 on the date of issuance of the Tax-Exempt Obligations would have caused the Tax-
1367 Exempt Obligations to be "arbitrage bonds" within the meaning of Section 148 of the
1368 Code;

1369 F. The county will maintain a system for recording the ownership of each
1370 Tax-Exempt Obligation that complies with the provisions of Section 149 of the Code
1371 until all Tax-Exempt Obligations have been surrendered and canceled;

1372 G. The county will retain its records of all accounting and monitoring it
1373 carries out with respect to the Tax-Exempt Obligations for at least three years after the
1374 Tax-Exempt Obligations mature or are redeemed, whichever is earlier; however, if the
1375 Tax-Exempt Obligations are redeemed and refunded, the county will retain its records of
1376 accounting and monitoring at least three years after the earlier of the maturity or
1377 redemption of the obligations that refunded the Tax-Exempt Obligations;

1378 H. In the event the county issues one or more Series of Tax-Advantaged
1379 Obligations eligible for federal tax credits, a federal interest subsidy, or other subsidy, the

1380 county will comply with the provisions of the Federal Tax Certificate setting forth or
1381 incorporating applicable requirements; and

1382 I. The county will comply with the provisions of the Federal Tax Certificate
1383 with respect to the applicable Tax-Exempt Obligations or Tax-Advantaged Obligations,
1384 which are incorporated herein as if fully set forth herein. In the event of any conflict
1385 between this section and the Federal Tax Certificate, the provisions of the Federal Tax
1386 Certificate will prevail. Additional tax covenants as necessary or desirable for any Series
1387 of Bonds may be set forth in the Sale Document or Federal Tax Certificate for that Series
1388 of Bonds.

1389 The covenants of this section will survive payment in full or defeasance of the
1390 applicable Tax-Exempt Obligations or Tax-Advantaged Obligations.

1391 SECTION 22. Trustee for Registered Owners of Parity Bonds.

1392 A. Appointment of Trustee. Upon the occurrence of any "event of default"
1393 described in section 23.A. of this ordinance, the Registered Owners of a majority in
1394 principal amount of the outstanding Parity Bonds may appoint a Trustee by an instrument
1395 or concurrent instruments in writing signed and acknowledged by such Registered
1396 Owners or by their attorneys-in-fact duly authorized and delivered to the Trustee,
1397 notification thereof being given to the county. Any Trustee appointed under the
1398 provisions of this subsection A. must be a bank or trust company organized under the
1399 laws of the State or the State of New York or a national banking association. The fees
1400 and expenses of a Trustee must be borne by the owners of the Parity Bonds and not by
1401 the county. The bank or trust company acting as a Trustee may be removed at any time
1402 and a successor Trustee may be appointed by the Registered Owners of a majority in

1403 principal amount of the outstanding Parity Bonds, by an instrument or concurrent
1404 instruments in writing signed and acknowledged by such Registered Owners or by their
1405 attorneys-in-fact duly authorized.

1406 The Trustee appointed in the manner herein provided, and each successor thereto,
1407 is hereby declared to be a trustee for the Registered Owners of all the Parity Bonds and is
1408 empowered to exercise all rights and powers herein conferred on the Trustee.

1409 B. Certain Rights and Obligations of Trustee. The Trustee will not be
1410 responsible for recitals in any ordinance or in the Parity Bonds, or for the validity of any
1411 Parity Bonds, nor will the Trustee be responsible for insuring the System or for collecting
1412 any insurance money or for the title to any property of the System.

1413 The Trustee will be protected in acting upon any notice, request, consent,
1414 certificate, order, affidavit, letter or other paper or document believed by it to be genuine
1415 and correct and to have been signed, sent or delivered by the person or persons by whom
1416 such paper or document is purported to have been signed, sent or delivered.

1417 The Trustee will not be answerable for any neglect or default of any person, firm
1418 or corporation employed and selected by it with reasonable care.

1419 The Trustee will permit the owner of any Parity Bonds to inspect any instrument,
1420 opinion or certificate filed with the Trustee by the county or by any person, firm or
1421 corporation acting for the county.

1422 The Trustee will not be bound to recognize any person as an owner of any Parity
1423 Bond until such person's title thereto, if disputed, has been established to the Trustee's
1424 reasonable satisfaction.

1425 The Trustee may consult with counsel, and the opinion of such counsel will be
1426 full and complete authorization and protection in respect of any action taken or suffered
1427 by it hereunder in good faith and in accordance with the opinion of such counsel.

1428 SECTION 23. Events of Default for Parity Bonds; Powers and Duties of Trustee.

1429 A. Events of Default. The occurrence of one or more of the following is an
1430 "event of default" with respect to any Bonds issued as Parity Bonds under this ordinance:

1431 1. default in the payment of principal of or interest on any Parity
1432 Bonds when the same becomes due; or

1433 2. default in the observance or performance of any of the other
1434 covenants applicable to Parity Bonds herein contained, and the default continues for a
1435 period of six months after written notice to the county from the registered owner of a
1436 Parity Bond specifying the default and requiring that it be remedied.

1437 B. Powers of Trustee. The Trustee in its own name and on behalf of and for
1438 the benefit and protection of the registered owners of all Parity Bonds may proceed, and
1439 upon the written request of the Registered Owners of not less than 25% in principal
1440 amount of the Parity Bonds then outstanding must proceed, to protect and enforce any
1441 rights of the Trustee and, to the full extent that Registered Owners of Parity Bonds
1442 themselves might do, the rights of such Registered Owners of Parity Bonds under the
1443 laws of the State or under the ordinances providing for the issuance of the Parity Bonds,
1444 by such suits, actions or proceedings in equity or at law, either for the specific
1445 performance of any covenant contained herein or in aid or execution of any power herein
1446 granted or for any proper legal or equitable remedy as the Trustee may deem most
1447 effectual to protect and enforce the rights of the Trustee and the Registered Owners of

1448 Parity Bonds. In the enforcement of any such rights under this or any other ordinance of
1449 the county, the Trustee is entitled to sue for, to enforce payment of and to receive any and
1450 all amounts due from the county for principal, interest or otherwise under any of the
1451 provisions of such ordinance, with interest on overdue payments at the rate or rates set
1452 forth in such Parity Bond or Parity Bonds, together with any and all costs and expenses of
1453 collection and of all proceedings taken by the Trustee without prejudice to any other right
1454 or remedy of the Trustee or of the owners of the Parity Bonds.

1455 If default is made in the payment of principal of any Parity Bond and the default
1456 continues for a period of 30 days, the Trustee may not accelerate payment of any Parity
1457 Bonds but may proceed to enforce payment thereof as hereinabove provided. If, in the
1458 sole judgment of the Trustee, any default is cured and the Trustee furnishes the county a
1459 certificate so stating, that default is conclusively deemed to be cured, and the county,
1460 Trustee and owners of Parity Bonds will be restored to the same rights and position they
1461 would have held if no event of default had occurred.

1462 C. Actions in Name of Trustee. All rights of action under this ordinance or
1463 upon any of the Parity Bonds enforceable by the Trustee may be enforced by the Trustee
1464 without the possession of any Parity Bonds or the production thereof in the trial or other
1465 proceedings relative thereto, and any such suit, action or proceeding instituted by the
1466 Trustee will be brought in its name for the ratable benefit of the Registered Owners of all
1467 Parity Bonds, subject to the provisions of this ordinance.

1468 D. Procedure by Bond Owners. No owner of any one or more of the Parity
1469 Bonds has any right to institute any action, suit or proceedings at law or in equity for the
1470 enforcement of the same, unless an event of default occurs and no Trustee has been

1471 appointed as herein provided, but any remedy herein authorized to be exercised by a
1472 Trustee may be exercised individually by any registered owner of a Parity Bond, in such
1473 Registered Owner's own name and on such Registered Owner's own behalf or for the
1474 benefit of all registered owners of Parity Bonds, if no Trustee is appointed, or with the
1475 consent of the Trustee if such Trustee has been appointed.

1476 E. Application of Money Collected by Trustee. Any money collected by the
1477 Trustee at any time pursuant to this section will be applied, first, to the payment of its
1478 charges, expenses, advances and compensation and the charges, expenses, counsel fees,
1479 disbursements and compensation of its agents and attorneys, and, second, toward
1480 payment of the amount then due and unpaid upon the Parity Bonds, ratably and without
1481 preference or priority of any kind not expressly provided in this ordinance, according to
1482 the amounts due and payable on the Parity Bonds at the date fixed by the Trustee for the
1483 distribution of such money, upon presentation of the several Parity Bonds and upon
1484 causing such payment to be stamped thereon, if partly paid, and upon surrender thereof, if
1485 fully paid.

1486 SECTION 24. Future Parity Bonds. The county further covenants and agrees
1487 with the Registered Owner of each of the Bonds issued as Parity Bonds for as long as the
1488 same are outstanding that it will not create any special fund for the payment of the
1489 principal of and interest on any revenue bonds that will rank on a parity with or have any
1490 priority over the payments out of Revenue of the System required to be made into the
1491 Parity Bond Fund and the accounts therein to pay or secure the payment of the
1492 outstanding Parity Bonds. The county reserves the right for: (a) the purpose of acquiring,
1493 constructing and installing any portion of the Comprehensive Plan; (b) the purpose of

1494 acquiring, constructing and installing any necessary renewals or replacements of the
1495 System; or (c) the purpose of refunding or purchasing, for cash or exchange
1496 consideration, and retiring at or prior to their maturity any outstanding obligations of the
1497 county payable from Revenue of the System, to issue additional or refunding Parity
1498 Bonds, including Variable Rate Parity Bonds, and to make payments into the Parity Bond
1499 Fund out of the Revenue Fund that will be sufficient to pay the principal of and interest
1500 on those additional or refunding Parity Bonds and to maintain required reserves, such
1501 payments out of the Revenue Fund to rank equally with the payments out of the Revenue
1502 Fund required to be made into the Parity Bond Fund and the accounts therein for the
1503 payment of the principal of and interest on outstanding Parity Bonds, but only upon
1504 compliance with the following conditions:

1505 A. At the time of the issuance of any Future Parity Bonds there is no
1506 deficiency in the Parity Bond Fund or any account therein;

1507 B. Each ordinance providing for the issuance of any Future Parity Bonds that
1508 are refunding bonds must require that all money held in any fund or account of the county
1509 created for the purpose of paying the principal of and interest on the bonds being
1510 refunded either be used to pay the principal of and interest on such bonds or be
1511 transferred or paid into the Parity Bond Fund;

1512 C. Each ordinance providing for the issuance of Future Parity Bonds must
1513 provide for the payment of the principal thereof and interest thereon out of the Parity
1514 Bond Fund. The Future Parity Bonds may bear such date of issue, interest payment
1515 dates, and principal payment dates, and may mature in such year or years, as the county
1516 council provides. Each such ordinance will further provide that upon the issuance of any

1517 Future Parity Bonds, the county will pay into the Parity Bond Reserve Account an
1518 amount that will be sufficient to satisfy the Reserve Requirement then applicable or
1519 provide Qualified Insurance or a Qualified Letter of Credit to satisfy the Reserve
1520 Requirement;

1521 D. At the time of the issuance of any Future Parity Bonds, the county must
1522 have on file a certificate from a Professional Utility Consultant, dated no more than 90
1523 days prior to the date of delivery of such Future Parity Bonds, showing that, in the
1524 Professional Utility Consultant's professional opinion, the "annual income available for
1525 debt service on Parity Bonds" for each year during the life of such Future Parity Bonds
1526 shall be at least equal to 1.25 times the amount required in each such year to pay the
1527 Annual Parity Debt Service for such year. Such "annual income available for debt service
1528 on Parity Bonds" must be determined as follows for each year following the proposed
1529 date of issue of such Future Parity Bonds:

1530 1. The Revenue of the System must be determined for a period of any
1531 12 consecutive months out of the 18 months immediately preceding the delivery of the
1532 Future Parity Bonds being issued;

1533 2. Such revenue may be adjusted to give effect on a 12-month basis
1534 to the rates in effect on the date of such certificate;

1535 3. If there were any Customers added to the System during such 12-
1536 month period or thereafter and prior to the date of the Professional Utility Consultant's
1537 certificate, such revenue may be further adjusted on the basis that added Customers were
1538 Customers of the System during the entire 12-month period;

1539 4. There will be deducted from such revenue the amount expended
1540 for Operating and Maintenance Expenses during such period;

1541 5. For each year following the proposed date of issuance of such
1542 Future Parity Bonds the Professional Utility Consultant may add to the annual revenue
1543 determined in subsections D.1. through 4. of this section an estimate of the income to be
1544 received in each such year from the investment of money in the Parity Bond Fund and
1545 any account therein, and the Construction Account, which is to be determined by and in
1546 the sole discretion of a firm of nationally recognized financial consultants selected by the
1547 county;

1548 6. Beginning with the second year following the proposed date of
1549 issue of such Future Parity Bonds and for each year thereafter, the Professional Utility
1550 Consultant may add to the annual revenue determined in subsection D.1. through 5. of
1551 this section the Professional Utility Consultant's estimate of any additional annual
1552 revenue to be received from anticipated growth in the number of Customers within the
1553 area served by the System on the date of such certificate, after deducting therefrom any
1554 increased Operating and Maintenance Expenses estimated to be incurred as a result of
1555 such growth; provided, that the Professional Utility Consultant's estimate of the number
1556 of Customers served may not assume growth of more than 1/4 of 1% over and above the
1557 number of Customers served or estimated to be served during the preceding year; and

1558 7. If extensions of or additions to the System are in the process of
1559 construction at the time of such certificate, or if the proceeds of the Future Parity Bonds
1560 being issued are to be used to acquire or construct extensions of or additions to the
1561 System, there may be added to the annual net revenue as above determined any revenue

1562 not included in subsections D.1. through 6. of this section that will be derived from such
1563 additions and extensions after deducting therefrom the estimated additional Operating
1564 and Maintenance Expenses to be incurred as a result of such additions and extensions;
1565 provided, that such estimated annual revenue will be based upon 75% of any estimated
1566 Customer growth in the four years following the first full year in which such additional
1567 revenue is to be collected and thereafter the estimated Customer growth may not exceed
1568 1/4 of 1% per year over and above such reduced estimate;

1569 E. Instead of the certificate described in subsection D. of this section, the
1570 county may elect to have on file a certificate of the Finance Director demonstrating that
1571 during any 12 consecutive calendar months out of the immediately preceding 18 calendar
1572 months Net Revenue was at least equal to 1.25 times the amount required to pay, in each
1573 year that such Future Parity Bonds would be outstanding, the Annual Parity Debt Service
1574 for such year;

1575 F. For the purpose of refunding at or prior to their maturity any outstanding
1576 Parity Bonds or any bonds or other obligations of the county payable from Revenue of
1577 the System, including refundings by purchase or exchange, the county may at any time
1578 issue Future Parity Bonds without complying with the provisions of subsections D. or E.
1579 of this section; provided, that the county may not issue Future Parity Bonds for such
1580 purpose under this subsection F. unless the Finance Director certifies that upon the
1581 issuance of such Future Parity Bonds: (a) total debt service required for all Parity Bonds,
1582 including the refunding bonds and not including the bonds to be refunded thereby, will
1583 decrease; and (b) the Annual Parity Debt Service for each year that any Parity Bonds,
1584 including the refunding bonds and not including the bonds to be refunded thereby, are

1585 then outstanding will not be increased by more than \$5,000 by reason of the issuance of
1586 such Future Parity Bonds.

1587 The principal amount of Future Parity Bonds issued pursuant to this subsection F.
1588 may include amounts necessary to pay the principal of the Parity Bonds or other
1589 obligations to be refunded, interest thereon to the date of payment or redemption thereof,
1590 any premium payable thereon upon such payment or redemption and the costs of issuance
1591 of such Future Parity Bonds, and if a Payment Agreement has been provided with respect
1592 to the obligations to be refunded, may include amounts necessary to make the payment of
1593 all amounts, if any, due and payable by the county under such Payment Agreement. The
1594 proceeds of such Future Parity Bonds will be held and applied in such manner as is
1595 provided for in the ordinance authorizing the issuance of the Parity Bonds or other
1596 obligations to be refunded, so that upon the delivery of such Future Parity Bonds, the
1597 Parity Bonds or other obligations to be refunded thereby will be deemed no longer
1598 outstanding in accordance with the ordinance authorizing their issuance; and

1599 G. Nothing contained in this ordinance prevents the county from issuing
1600 revenue bonds that are a charge on Revenue of the System and money in the Revenue
1601 Fund junior or inferior to the payments required to be made therefrom into the Parity
1602 Bond Fund and any account therein, nor shall anything herein contained prevent the
1603 county from issuing Future Parity Bonds to refund maturing Parity Bonds for the
1604 payment of which money is not otherwise available.

1605 SECTION 25. Additional Parity Lien Obligations. The county expressly reserves
1606 the right to issue additional Parity Bonds in accordance with the ordinances, including
1607 this ordinance, authorizing the Parity Bonds. Subject to this reservation of rights with

1608 respect to Parity Bonds, the county hereby covenants and agrees with the Registered
1609 Owner of each of the Bonds issued as Parity Lien Obligations, so long as such Bonds are
1610 outstanding, that it will not issue or incur any other additional indebtedness secured in
1611 whole or in part by a lien on Revenue of the System superior to the lien of such Bonds
1612 issued as Parity Lien Obligations.

1613 A. Parity Lien Obligations Other Than Refunding Bonds. The county
1614 expressly reserves the right to issue or enter into additional Parity Lien Obligations,
1615 including Variable Rate Parity Lien Obligations, for any lawful purpose of the county
1616 related to the System if at the time of issuing or entering into such Parity Lien
1617 Obligations:

1618 1. There is no deficiency in the Parity Bond Fund, the Parity Lien
1619 Obligation Bond Fund or any other bond fund or account securing Parity Lien
1620 Obligations;

1621 2. The county has on file a certificate from a Professional Utility
1622 Consultant, dated no more than 90 days prior to the date of delivery of such Parity Lien
1623 Obligations, showing that, in the Professional Utility Consultant's professional opinion,
1624 the "annual income available for debt service on Parity Bonds and Parity Lien
1625 Obligations" for each year during the life of such Parity Lien Obligations is at least equal
1626 to 1.25 times the amount required to pay Annual Debt Service in each such year. Such
1627 "annual income available for debt service on Parity Bonds and Parity Lien Obligations"
1628 shall be determined as follows for each year following the proposed date of issue of such
1629 additional Parity Lien Obligations:

- 1630 a. The Revenue of the System must be determined for a
1631 period of any 12 consecutive months out of the 18 months immediately preceding the
1632 delivery of the Parity Lien Obligations being issued;
- 1633 b. Such revenue may be adjusted to give effect on a 12-month
1634 basis to the rates in effect on the date of such certificate;
- 1635 c. If there were any Customers added to the System during
1636 such 12-month period or thereafter and prior to the date of the Professional Utility
1637 Consultant's certificate, such revenue may be further adjusted on the basis that added
1638 Customers were Customers of the System during the entire 12-month period;
- 1639 d. There will be deducted from such revenue the amount
1640 expended for Operating and Maintenance Expenses during such period;
- 1641 e. For each year following the proposed date of issuance of
1642 such Parity Lien Obligations the Professional Utility Consultant may add to the annual
1643 revenue determined in subsection A.2.a. through d. of this section an estimate of the
1644 income to be received in each such year from the investment of money in the Parity Bond
1645 Fund, the Parity Lien Obligation Bond Fund and the Construction Account, which is to
1646 be determined by and in the sole discretion of a firm of nationally recognized financial
1647 consultants selected by the county;
- 1648 f. Beginning with the second year following the proposed
1649 date of issue of such Parity Lien Obligations and for each year thereafter the Professional
1650 Utility Consultant may add to the annual revenue determined in subsection A.2.a. through
1651 e. of this section the Professional Utility Consultant's estimate of any additional annual
1652 revenue to be received from anticipated growth in the number of Customers within the

1653 area served by the System on the date of such certificate, after deducting therefrom any
1654 increased Operating and Maintenance Expenses estimated to be incurred as a result of
1655 such growth; provided, that the Professional Utility Consultant's estimate of the number
1656 of customers served may not assume a growth of more than 1/4 of 1% over and above the
1657 number of customers served or estimated to be served during the preceding year; and

1658 g. If extensions of or additions to the System are in the
1659 process of construction at the time of such certificate, or if the proceeds of the Parity Lien
1660 Obligations being issued are to be used to acquire or construct extensions of or additions
1661 to the System, there may be added to the annual net revenue as above determined any
1662 revenue not included in subsection A.2.a. through f. of this section that will be derived
1663 from such additions and extensions after deducting therefrom the estimated additional
1664 Operating and Maintenance Expenses to be incurred as a result of such additions and
1665 extensions; provided, that such estimated annual revenue must be based upon 75% of any
1666 estimated Customer growth in the four years following the first full year in which such
1667 additional revenue is to be collected and thereafter the estimated Customer growth may
1668 not exceed 1/4 of 1% per year over and above such reduced estimate; and

1669 3. Instead of the certificate described in subsection A.2. of this
1670 section, the county may elect to have on file a certificate of the Finance Director
1671 demonstrating that during any 12 consecutive calendar months out of the immediately
1672 preceding 18 calendar months Net Revenue was at least equal to 1.25 times the amount
1673 required to pay, in each year that such Parity Lien Obligations would be outstanding, the
1674 Annual Debt Service for such year.

1675 B. Parity Lien Obligations That Are Refunding Bonds.

1676 1. The county may at any time, for the purpose of refunding at or
1677 prior to their maturity any outstanding Parity Lien Obligations, Parity Bonds, or any
1678 bonds or other obligations of the county payable from Revenue of the System, including
1679 refundings by purchase or exchange, issue additional Parity Lien Obligations without
1680 complying with the provisions of subsection A.2. and 3. of this section if there is filed
1681 with the clerk of the county council a certificate of the Finance Director stating that upon
1682 the issuance of such additional Parity Lien Obligations: (a) total debt service on all Parity
1683 Bonds and Parity Lien Obligations, including the refunding bonds but not including the
1684 bonds to be refunded thereby, will decrease; and (b) the Annual Debt Service for each
1685 year that any Parity Bonds and any Parity Lien Obligations, including the refunding
1686 bonds but not including the bonds to be refunded thereby, are then outstanding will not be
1687 increased by more than \$5,000 by reason of the issuance of such additional Parity Lien
1688 Obligations.

1689 2. The principal amount of such Parity Lien Obligations may include
1690 amounts necessary to pay the principal of the bonds or other obligations to be refunded,
1691 interest thereon to the date of payment or redemption thereof and any premium payable
1692 thereon upon such payment or redemption and the costs of issuance of such Parity Lien
1693 Obligations and, if a Payment Agreement has been provided with respect to the
1694 obligations to be refunded, may include amounts necessary to make the payment of all
1695 amounts, if any, due and payable by the county under such Payment Agreement. The
1696 proceeds of such Parity Lien Obligations will be held and applied as provided in the
1697 ordinance authorizing the issuance of such Parity Lien Obligations, so that upon the
1698 delivery of such Parity Lien Obligations, the bonds or other obligations to be refunded

1699 thereby will be deemed no longer outstanding in accordance with the ordinance
1700 authorizing their issuance.

1701 3. At the election of the county, the provisions of this subsection B.
1702 need not apply to the refunding at one time of all the Parity Lien Obligations then
1703 outstanding.

1704 4. Nothing contained in this ordinance prohibits or prevents, or will
1705 be deemed or construed to prohibit or prevent, the county from issuing Parity Lien
1706 Obligations to refund maturing Parity Lien Obligations of the county for the payment of
1707 which money is not otherwise available.

1708 C. Subordinate Obligations. Nothing in this ordinance prohibits, or will be
1709 deemed or construed to prohibit, the county from authorizing and issuing bonds, notes or
1710 other evidences of indebtedness for any purpose of the county related to the System
1711 payable in whole or in part from Revenue of the System and secured by a lien on
1712 Revenue of the System that is junior, subordinate and inferior to the lien of any Bonds
1713 issued as Parity Lien Obligations.

1714 SECTION 26. Reimbursement Obligations. If the county elects to secure any
1715 Bonds with a Credit Facility, the county may contract with the entity providing the Credit
1716 Facility that the reimbursement obligation, if any, to that entity will be a Parity Bond or
1717 Parity Lien Obligation, as applicable.

1718 SECTION 27. Payment Agreements.

1719 A. General. To the extent and for the purposes permitted from time to time
1720 by chapter 39.96 RCW, as it may be amended, and other applicable provisions of State

1721 law, the county may enter into Payment Agreements, subject to the conditions set forth in
1722 this section and in other provisions of this ordinance.

1723 B. Manner and Schedule of Payments. Each Payment Agreement must set
1724 forth the manner in which the Payment Agreement Payments and the Payment
1725 Agreement Receipts will be calculated and a schedule of payment dates.

1726 C. Authorizing Ordinance. Prior to entering into a Payment Agreement, the
1727 county council must adopt an ordinance authorizing such agreement and setting forth
1728 such provisions as the county deems necessary or desirable and are not inconsistent with
1729 the provisions of this ordinance.

1730 D. Calculation of Payment Agreement Payments and Debt Service on Bonds
1731 with Respect to which a Payment Agreement is in Force. It is the intent of the county, for
1732 purposes of section 18, 24, or 25 of this ordinance, that debt service on Parity Bonds with
1733 respect to which a Parity Payment Agreement is in force will be calculated to reflect the
1734 net economic effect on the county intended to be produced by the terms of such Parity
1735 Bonds and Parity Payment Agreement and that debt service on Parity Lien Obligation
1736 Bonds with respect to which a Parity Lien Obligation Payment Agreement is in force will
1737 be calculated to reflect the net economic effect on the county intended to be produced by
1738 the terms of such Parity Lien Obligation Bonds and Parity Lien Obligation Payment
1739 Agreement. In calculating such amounts, the county will be guided by the following
1740 requirements.

1741 1. The amount of interest deemed to be payable on any Bonds with
1742 respect to which a Payment Agreement is in force will be an amount equal to the amount

1743 of interest that would be payable at the rate or rates stated in those Bonds plus Payment
1744 Agreement Payments minus Payment Agreement Receipts.

1745 2. For any period during which Payment Agreement Payments are
1746 not taken into account in calculating interest on any outstanding Bonds because the
1747 Payment Agreement is not then related to any outstanding Bonds, Payment Agreement
1748 Payments on that Parity Payment Agreement will be calculated based upon the following
1749 assumptions:

1750 a. County Obligated to Make Payments Based on Fixed Rate.
1751 If the county is obligated to make Payment Agreement Payments based on a fixed rate
1752 and the Qualified Counterparty is obligated to make payments based on a variable rate
1753 index, payments by the county will be based on the assumed fixed payor rate, and
1754 payments by the Qualified Counterparty will be based on a rate equal to the average rate
1755 determined by the variable rate index specified by the Payment Agreement during the
1756 fiscal quarter preceding the quarter in which the calculation is made; and

1757 b. County Obligated to Make Payments Based on Variable
1758 Rate Index. If the county is obligated to make Payment Agreement Payments based on a
1759 variable rate index and the Qualified Counterparty is obligated to make payments based
1760 on a fixed rate, payments by the county will be based on a rate equal to the average rate
1761 determined by the variable rate index specified by the Payment Agreement during the
1762 fiscal quarter preceding the quarter in which the calculation is made, and the Qualified
1763 Counterparty will make payments based on the fixed rate specified by the Payment
1764 Agreement.

1765 E. Prior Notice to Rating Agencies. The county will give notice to Moody's
1766 and S&P 30 days prior to the date it intends to enter into a Parity Payment Agreement
1767 and will give notice to Fitch, Moody's and S&P 30 days prior to the date it intends to
1768 enter into a Parity Lien Obligation Payment Agreement.

1769 SECTION 28. Sale of Bonds. The county hereby authorizes the sale of the Bonds
1770 in one or more Series. The Finance Director is authorized to proceed with the sale of any
1771 Series of the Bonds pursuant to subsections B., C., or D. of this section to refund the
1772 Refunded Bonds and finance the costs of any project that has been approved by the
1773 county council or will have been approved by the county council prior to the sale date for
1774 such Bonds. The Finance Director is further authorized to proceed under this ordinance
1775 with the sale of the Project Bonds for any such project and with the sale of the Refunding
1776 Bonds to refund any Refunding Candidate(s), including by purchase or exchange,
1777 pursuant to the sale provisions set forth in this section and without regard to the
1778 requirements of any prior bond ordinance that authorized the financing of the project or
1779 the refunding of such Refunding Candidate(s).

1780 The Bonds will be sold in one or more Series, any of which may be sold in a
1781 combined offering with other bonds and/or notes of the county, at the option of the
1782 Finance Director. The Finance Director will determine, in consultation with the county's
1783 financial advisors, the principal amount of each Series of the Project Bonds, which of the
1784 Refunding Candidates will be refunded, whether such Refunding Candidates will be
1785 refunded by purchase or exchange, whether any Series of Project Bonds or Refunding
1786 Bonds will be sold separately or in one or more combined Series, whether each Series of
1787 Bonds will be sold by competitive bid or negotiated sale, or otherwise, and for current or

1788 future delivery, and whether such Series of Bonds will be issued and sold as Tax-
1789 Advantaged Obligations, Tax-Exempt Obligations or Taxable Obligations, and whether
1790 any Series will be designated as "green bonds," social impact bonds, sustainability bonds
1791 or otherwise.

1792 A. Satisfaction of Additional Bonds Tests. The Finance Director will provide
1793 or cause to be provided by a Professional Utility Consultant any certifications required to
1794 comply with the tests established in prior ordinances of the county for the issuance of
1795 additional Parity Bonds and additional Parity Lien Obligations, as applicable.

1796 B. Negotiated Sale. If the Finance Director determines that any Series of the
1797 Bonds will be sold by negotiated sale, the Finance Director shall, in accordance with
1798 applicable county procurement procedures, solicit one or more underwriting firms or
1799 other financial institutions with which to negotiate the sale of such Bonds. Subject to the
1800 parameters set forth in subsection E. of this section, the Bond Purchase Agreement for
1801 such Series of the Bonds will specify whether the Bonds of such Series are being issued
1802 and sold as Tax-Advantaged Obligations, Tax-Exempt Obligations or Taxable
1803 Obligations, and whether any Series of Bonds are designated as "green bonds," social
1804 impact bonds, sustainability bonds or otherwise, and will also identify any Term Bonds
1805 and the year and any applicable Series designation, date, principal amounts and maturity
1806 dates, interest rates and interest payment dates, redemption and/or purchase provisions
1807 and delivery date for such Series of Bonds.

1808 C. Sale by Competitive Bid. If the Finance Director determines that any
1809 Series of Bonds will be sold by competitive bid, bids for the purchase of such Series of
1810 Bonds will be received at such time and place and by such means as the Finance Director

1811 will direct. The Finance Director is authorized to prepare an Official Notice of Bond Sale
1812 for each Series of Bonds to be sold pursuant to competitive bid, which notice will be filed
1813 with the clerk of the county council. The Official Notice of Bond Sale will specify
1814 whether the Bonds of such Series are being issued and sold as Tax-Advantaged
1815 Obligations, Tax-Exempt Obligations or Taxable Obligations, and whether any Series
1816 will be designated as "green bonds," social impact bonds, sustainability bonds or
1817 otherwise, and will identify the year and any applicable Series designation, date, principal
1818 amounts and maturity dates, interest payment dates, redemption and/or purchase
1819 provisions and delivery date for such Series of Bonds.

1820 Upon the date and time established for the receipt of bids for a Series of the
1821 Bonds, the Finance Director or the Finance Director's designee will review the bids
1822 received, cause the bids to be mathematically verified, and accept the winning bid by
1823 executing the Certificate of Award, which shall designate any Term Bonds, subject to the
1824 parameters set forth in subsection E. of this section. The county, acting through the
1825 Finance Director, reserves the right to reject any and all bids for such Bonds.

1826 D. Other Sales. If the Finance Director determines that any Series of Bonds
1827 will be sold to the federal government or other purchaser to evidence a loan from that
1828 purchaser, the Finance Director, in consultation with the county financial advisors, will
1829 negotiate the sale of such Bonds and the terms of any Loan Agreement or other
1830 agreement with the purchaser, including any Master WIFIA Agreement to be
1831 supplemented or amended by WIFIA loan agreements for each WIFIA loan made
1832 thereunder. The terms of any Master WIFIA Agreement or any WIFIA loan agreements
1833 may include additional disbursement or other conditions, covenants, events of default,

1834 remedies and other provisions generally consistent with such provisions of the existing
1835 WIFIA loans, the forms of which were approved by Motion 15115 and 15789,
1836 respectively, or current WIFIA program terms. Subject to the parameters set forth in
1837 subsection E. of this section, the Loan Agreement or other agreement or closing
1838 certificates for such Series of Bonds will specify whether the Bonds of such Series are
1839 being issued and sold as Tax-Advantaged Obligations, Tax-Exempt Obligations or
1840 Taxable Obligations, and whether any Series of Bonds are designated as "green bonds,"
1841 social impact bonds, sustainability bonds or otherwise, and will also identify any Term
1842 Bonds and the year and any applicable Series designation, date, principal amounts and
1843 maturity dates, interest rates and interest payment dates, redemption and/or purchase
1844 provisions and delivery date for such Series of Bonds.

1845 E. Sale Parameters. Subject to the terms and conditions set forth in this
1846 subsection, the Finance Director is hereby authorized to approve the issuance and sale of
1847 any Series of the Bonds upon the Finance Director's approval of the final interest rates,
1848 maturity dates, aggregate principal amounts, principal maturities and redemption rights
1849 for the Series of the Bonds in accordance with the authority granted by this section so
1850 long as:

1851 1. The aggregate principal amount for the Series of Project Bonds
1852 does not cause the aggregate principal amount for all Project Bonds issued under this
1853 ordinance to exceed \$1,000,000,000;

1854 2. The aggregate principal amount of the Series of Refunding Bonds
1855 to be issued does not exceed the aggregate principal amount of the Refunded Bonds to be
1856 refunded, including by purchase or exchange, with such Series of Refunding Bonds, plus

1857 the amount deemed by the Finance Director as reasonably required to effect such
1858 refunding as described in RCW 39.53.050, including amounts reasonably required to pay
1859 the redemption or purchase price of the Refunded Bonds and costs of issuance and the
1860 refunding;

1861 3. The final maturity date for the Series of the Project Bonds to be
1862 issued is not later than 31 years after its date of issuance;

1863 4. The final maturity date for the Series of the Refunding Bonds to be
1864 issued is not later than the end of the fiscal year that includes the final maturity date for
1865 the Refunded Bonds to be refunded, including by purchase or exchange, with such Series
1866 of Bonds; provided, the final maturity date for any Series of the Refunding Bonds to be
1867 issued to refund Project Bonds issued as bond anticipation notes, commercial paper or
1868 other interim financing is not later than 31 years after the date of issuance of the interim
1869 financing;

1870 5. Notwithstanding subsection E.3. and 4. of this section, the final
1871 maturity date for any Series of Bonds to be delivered to evidence one or more WIFIA
1872 loans from the EPA is not later than the earlier of: (a) the date that is 35 years following
1873 substantial completion of the financed project as such terms are defined in the WIFIA
1874 loan agreement for that Series of Bonds; and (b) the date that is 40 years after the date the
1875 county initially draws on the WIFIA loan evidenced by that Series of Bonds;

1876 6. The Series of the Bonds to be issued is sold in the aggregate at a
1877 price not less than 95 percent;

1878 7. The true interest cost for the Series of Bonds does not exceed 5.0%
1879 if the Series of Bonds is issued as Tax-Exempt Obligations;

1880 8. The true interest cost for the Series of Bonds does not exceed 7.0%
1881 if the Series of Bonds is issued as Taxable or Tax-Advantaged Obligations; and

1882 9. The Series of Bonds conforms to all other terms of this ordinance.

1883 Subject to the terms and conditions set forth in this section, the Finance Director
1884 is hereby authorized to execute each Sale Document to be dated the date of sale of the
1885 applicable Series of Bonds. The Finance Director is further authorized to negotiate and
1886 approve terms for the acquisition of Refunding Candidates by purchase or exchange, and
1887 to negotiate, approve and execute any offer, dealer manager agreements, or other
1888 documents in connection therewith, including amendments thereto from time to time.
1889 The signature of the Finance Director shall be sufficient to bind the county.

1890 The Finance Director shall provide an annual report to the Executive Finance
1891 Committee and county council describing the sale of any series of Bonds approved
1892 pursuant to the authority delegated in this section. The annual report shall be
1893 electronically filed with the clerk of the county council, who shall retain an electronic
1894 copy and provide an electronic copy to all councilmembers. The requirement for an
1895 annual report provided by this subsection expires three years after the effective date of
1896 this ordinance.

1897 The authority granted to the Finance Director by this subsection E. to execute Sale
1898 Documents shall expire December 31, 2027; provided, that an amendment to a Sale
1899 Document may be executed, and performance pursuant to any Sale Document may be
1900 completed, at any time. In the case of a Sale Document in the form of a WIFIA Master
1901 Agreement, the authority granted to the Finance Director by this subsection E. to execute
1902 such WIFIA Master Agreement shall expire December 31, 2027; provided, that an

1903 amendment or supplement to such Sale Document, including any supplement in the form
1904 of a WIFIA loan agreement subject to the WIFIA Master Agreement, may be executed at
1905 any time, issuance and delivery of one or more Series of Parity Bonds to evidence the
1906 county's obligations under such Sale Document as supplemented may be completed at
1907 any time, and performance pursuant to the Sale Document may be completed at any time.
1908 All other provisions of this ordinance will remain in full force and effect. If a Sale
1909 Document for a Series of the Bonds has not been executed by December 31, 2027, the
1910 authorization for the issuance of the Bonds shall be rescinded and the Bonds shall not be
1911 issued nor their sale approved unless such Bonds shall have been reauthorized by
1912 ordinance of the county council. The ordinance reauthorizing the issuance and sale of
1913 such Bonds may be in the form of a new ordinance repealing this ordinance in whole or
1914 in part or may be in the form of an amendatory ordinance approving a bond purchase
1915 agreement, certificate of award or loan agreement or establishing terms and conditions
1916 for the authority delegated under this section.

1917 The authority of the county to sell bonds, e.g., enter into a bond purchase
1918 agreement, accept a bid to sell any bonds or enter into a loan or other agreement for the
1919 sale of the bonds, as defined in and pursuant to Ordinance 19785, will terminate on the
1920 effective date of this ordinance, but all other provisions of Ordinance 19785, will remain
1921 in full force and effect.

1922 SECTION 29. Delivery of Bonds. Following the sale of each Series of the Bonds,
1923 the county will cause definitive Bonds to be prepared, executed and delivered in
1924 accordance with the provisions of this ordinance and in a form acceptable to DTC as

1925 initial depository for the Bonds, with the approving legal opinion of municipal bond
1926 counsel regarding such Series of Bonds.

1927 SECTION 30. Preliminary Official Statement and Final Official Statement. The
1928 county hereby authorizes and directs the Finance Director: (a) to review and approve the
1929 information contained in any preliminary official statement (each, a "Preliminary Official
1930 Statement") prepared in connection with the sale of each Series of Bonds; and (b) for the
1931 sole purpose of compliance by the purchasers of such Series of Bonds with subsection
1932 (b)(1) of the Rule, to "deem final" the related Preliminary Official Statement as of its
1933 date, except for such omissions as are permitted under the Rule. After each Preliminary
1934 Official Statement has been reviewed and approved in accordance with the provisions of
1935 this section, the county hereby authorizes the distribution of such Preliminary Official
1936 Statement to prospective purchasers of such related Series of Bonds.

1937 Following the sale of each Series of Bonds, the Finance Director is hereby
1938 authorized to review and approve on behalf of the county a final official statement with
1939 respect to such Series of Bonds. The county agrees to cooperate with the purchaser of
1940 each Series of Bonds to deliver or cause to be delivered, within seven business days from
1941 the date of the Sale Document, and in sufficient time to accompany any confirmation that
1942 requests payment from any customer of the purchaser, copies of a final official statement
1943 pertaining to such Series of Bonds in sufficient quantity to allow compliance with
1944 subsection (b)(4) of the Rule and the rules of the MSRB.

1945 The county further authorizes and directs the Finance Director to review and
1946 approve the information contained in any invitation to tender prepared in connection with
1947 the county's acquisition of Refunding Candidates by purchase or exchange.

1948 SECTION 31. Undertaking to Provide Ongoing Disclosure. The Finance Director
1949 is authorized to enter into an undertaking to provide ongoing disclosure with respect to
1950 each Series of Bonds, as required by subsection (b)(5) of the Rule. The form of the
1951 undertaking may be set forth in the Sale Document or the Official Statement for the
1952 Bonds.

1953 SECTION 32. General Authorization. The appropriate county officials, agents
1954 and representatives are hereby authorized and directed to do everything necessary for the
1955 prompt sale, issuance, execution and delivery of each Series of Bonds, and for the proper
1956 use and application of the proceeds of the sale thereof.

1957 SECTION 33. Investment of Funds and Accounts. Money in the Parity Bond
1958 Fund, Parity Bond Reserve Account, Parity Lien Obligation Bond Fund, Revenue Fund
1959 and Construction Account may be invested in any Permitted Investments. Obligations
1960 purchased as an investment of money in the Parity Bond Fund, Parity Bond Reserve
1961 Account, Parity Lien Obligation Bond Fund, Revenue Fund and Construction Account
1962 and accounts or subaccounts therein will be deemed at all times to be a part of such
1963 respective fund, account or subaccount, and the income or interest earned and profits
1964 realized or losses suffered by a fund, account or subaccount due to the investment thereof
1965 will be retained in, credited or charged, as the case may be, to such fund or account.

1966 SECTION 34. Refunding or Defeasance of Bonds. The Bonds are designated as
1967 Refunding Candidates for purposes of ordinances of the county authorizing the issuance
1968 of bonds to refund outstanding obligations of the county. The county may issue
1969 refunding obligations pursuant to the laws of the State or use money available from any
1970 other lawful source to pay when due the purchase price, principal of, premium, if any,

1971 and interest on the Bonds of any Series, or any portion thereof included in a refunding or
1972 defeasance plan and to redeem and retire, refund, including by purchase or exchange, or
1973 defease all or a portion of such then-outstanding Bonds of such Series (hereinafter
1974 collectively called the "Defeased Bonds"), and to pay the costs of the refunding or
1975 defeasance.

1976 If money and/or noncallable Government Obligations maturing at such time or
1977 times and bearing interest to be earned thereon in amounts together with such money, if
1978 necessary, sufficient to redeem and retire, refund or defease the Defeased Bonds in
1979 accordance with their terms are set aside in a special trust or escrow fund or account
1980 irrevocably pledged to that redemption, retirement or defeasance of Defeased Bonds
1981 (hereinafter called the "trust account"), then the Defeased Bonds will be deemed not to be
1982 outstanding hereunder, no further payments need be made into the related bond fund for
1983 the payment of the principal of and interest on the Defeased Bonds and the Registered
1984 Owners of the Defeased Bonds will cease to be entitled to any covenant, pledge, benefit
1985 or security of this ordinance. The Registered Owners of Defeased Bonds will have the
1986 right to receive payment of the principal of, premium, if any, and interest on the Defeased
1987 Bonds from the trust account.

1988 The county will provide or cause to be provided notice of defeasance of such
1989 Bonds to the MSRB in accordance with the undertaking for ongoing disclosure to be
1990 adopted pursuant to section 31 of this ordinance.

1991 SECTION 35. Supplemental Ordinances.

1992 A. Without Bondowner Consent. The county council from time to time and
1993 at any time may adopt an ordinance or ordinances supplemental to this ordinance, without

1994 the consent of owners of any of the Bonds, for any one or more of the following
1995 purposes:

1996 1. To add to the covenants and agreements of the county in this
1997 ordinance such other covenants and agreements thereafter to be observed that will not
1998 adversely affect the interests of the registered owners of any Parity Bonds or Parity Lien
1999 Obligations, as applicable, or to surrender any right or power herein reserved to or
2000 conferred upon the county.

2001 2. To make such provisions for the purpose of curing any ambiguities
2002 or of curing, correcting or supplementing any defective provision contained in this
2003 ordinance or any ordinance authorizing Parity Bonds or Parity Lien Obligations in regard
2004 to matters or questions arising under such ordinances as the county council may deem
2005 necessary or desirable and not inconsistent with such ordinances and that will not
2006 adversely affect the interest of the registered owners of Parity Bonds or Parity Lien
2007 Obligations, as applicable.

2008 B. With Bondowner Consent.

2009 1. With the consent of the registered owners of not less than 51% in
2010 aggregate principal amount of all Parity Bonds at the time outstanding, the county council
2011 may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any
2012 provisions to or changing in any manner or eliminating any of the provisions of this
2013 ordinance or of any supplemental ordinance applicable to Parity Bonds, except as
2014 described in subsection B.3. of this section.

2015 2. With the consent of the registered owners of not less than 51% in
2016 aggregate principal amount of all Parity Lien Obligations at the time outstanding, the

2017 county council may adopt an ordinance or ordinances supplemental hereto for the
2018 purpose of adding any provisions to or changing in any manner or eliminating any of the
2019 provisions of this ordinance or of any supplemental ordinance applicable to Parity Lien
2020 Obligations, except as described in subsection B.3. of this section.

2021 3. No supplemental ordinance entered into pursuant to this subsection
2022 B. may:

2023 a. Extend the fixed maturity of any Parity Bonds or Parity
2024 Lien Obligations, or reduce the rate of interest thereon, or extend the time of payments of
2025 interest from their due date, or reduce the amount of the principal thereof, or reduce any
2026 premium payable on the redemption thereof, without the consent of the registered owner
2027 of each bond so affected; or

2028 b. Reduce the aforesaid percentage of registered owners of
2029 Parity Bonds or Parity Lien Obligations required to approve any such supplemental
2030 ordinance, without the consent of the registered owners of all of such bonds.

2031 4. It is not necessary for the consent of registered owners of bonds
2032 under this subsection B. to approve the particular form of any proposed supplemental
2033 ordinance, but it is sufficient if such consent approves the substance thereof.

2034 SECTION 36. Contract; Severability. The covenants contained in this ordinance
2035 constitute a contract between the county and: (a) the Registered Owner of each Bond; (b)
2036 the Qualified Counterparty to any Payment Agreement entered into with respect to any
2037 Bonds; and (c) the provider of any Credit Facility, Qualified Insurance or Qualified Letter
2038 of Credit with respect to any Bonds. If any court of competent jurisdiction determines
2039 that any covenant or agreement provided in this ordinance to be performed on the part of

2040 the county is contrary to law, then such covenant or agreement shall be null and void and
2041 shall be deemed separable from the remaining covenants and agreements of this
2042 ordinance and shall in no way affect the validity of the other provisions of this ordinance
2043 or of the Bonds.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

APPROVED this ____ day of _____, _____.

Girmay Zahilay, County Executive

Attachments: A. Outstanding Obligation of the System, B. Form of Parity Bond, C. Form Parity Lien Obligation

ATTACHMENT A – OUTSTANDING OBLIGATIONS

I. OUTSTANDING PARITY BONDS

Series	Ordinance	Date of Issue	Original Principal	Outstanding Principal (as of 12/31/25)
2015A	17599	02/18/2015	\$474,025,000	\$177,825,000
2015B	18111	11/17/2015	93,345,000	31,925,000
2016A	18116	02/17/2016	281,535,000	135,285,000
2016B	18111	10/12/2016	499,655,000	230,025,000
2017	18587	12/19/2017	149,485,000	42,810,000
2018A ⁽¹⁾	18588	04/19/2018	134,500,000	17,686,000
2018B	18588	11/15/2018	124,455,000	67,125,000
2020A	19112	08/04/2020	179,530,000	124,430,000
2020B	19112	08/04/2020	186,745,000	132,165,000
2021 ⁽¹⁾	19112	01/19/2021	96,844,510	42,957,409
2021A	19112	08/10/2021	231,200,000	167,275,000
2023	19377	07/19/2023	129,970,000	129,530,000
2024 ⁽²⁾	19377	01/25/2024	194,125,628	-
2024A	19785	08/08/2024	392,575,000	392,190,000
2024 ⁽²⁾	19377	12/04/2024	89,891,562	-
2024B	19785	12/23/2024	169,905,000	168,555,000
2025A	19785	11/25/2025	263,975,000	263,975,000
Total			\$3,691,761,700	\$2,123,758,409

⁽¹⁾ WIFIA loan. “Original Principal” represents the total authorized amount of the loan, and “Outstanding Principal” represents amounts drawn on the loan as of 12/31/25.

⁽²⁾ WIFIA loan. “Original Principal” represents the authorized amount of the first and second loans issued under a WIFIA Master Agreement with a total authorized amount of \$498,344,408. “Outstanding Principal” represents amounts drawn on the loans as of 12/31/25.

II. OUTSTANDING PARITY LIEN OBLIGATIONS

Series	Ordinance	Date of Issue	Original Principal	Outstanding Principal (as of 12/31/25)
2017	18116	10/25/2017	\$154,560,000	\$102,925,000
2019	18588	10/24/2019	101,035,000	97,350,000
2021A	19112	08/10/2021	239,585,000	188,215,000
2021B	19112	08/10/2021	94,510,000	67,670,000
2024A	19785	12/23/2024	229,950,000	212,790,000
Total			\$819,640,000	\$668,950,000

III. OUTSTANDING JUNIOR LIEN OBLIGATIONS

<u>Series</u>	<u>Ordinance</u>	<u>Date of Issue</u>	<u>Original Principal</u>	<u>Outstanding Principal (as of 12/31/25)</u>
2021A	18898/19324	12/16/2021	\$140,000,000	\$140,000,000
2024	18898/19324	06/06/2024	115,580,000	115,580,000
2025	19955	07/31/2025	200,000,000	200,000,000
2025B	19955	10/23/2025	101,030,000	101,030,000
		Total	\$556,610,000	\$556,610,000

IV. OUTSTANDING MULTI-MODAL LTGO/SEWER REVENUE BONDS

<u>Series</u>	<u>Ordinance</u>	<u>Date of Issue</u>	<u>Original Principal</u>	<u>Outstanding Principal (as of 3/12/25)</u>
Commercial Paper	19955	01/01/2021	Up to \$250,000,000	\$243,900,000
		Total	Up to \$250,000,000	\$243,900,000

ATTACHMENT B –

FORM OF PARITY BOND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the County or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

R- _____

\$ _____

STATE OF WASHINGTON

KING COUNTY

SEWER REVENUE [AND] [REFUNDING] BOND, [YEAR], SERIES _____

INTEREST RATE _____ **MATURITY DATE** _____ **CUSIP NO.** _____
_____ % _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO 100/DOLLARS

KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, the Principal Amount specified above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the date of this bond, or the most recent date to which interest has been paid or duly provided for, until payment of this bond, at the Interest Rate specified, payable on _____, and semiannually thereafter on each succeeding _____ and _____.

Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as this bond is registered in the name of Cede & Co., as the nominee of The Depository Trust Company ("DTC"), principal of and premium, if any, and interest on this bond are payable in the manner set forth in the Blanket Issuer Letter of Representations by and between the County and DTC. When this bond is not registered in the name of the Securities Depository, interest on this bond is payable by electronic transfer on the interest payment date, or by check or draft of the fiscal agent of the State of Washington (as the same may be designated by the State of Washington from time to time, the "Registrar") mailed on the interest payment date to

the Registered Owner at the address appearing on the Bond Register on the Record Date. The County is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. When this bond is not registered in the name of the Securities Depository, principal of and premium, if any, on this bond are payable upon presentation and surrender of this bond by the Registered Owner to the Registrar at maturity or upon prior redemption in full.

This bond is one of an authorized issue of bonds in the aggregate principal amount of \$ _____ (the "Bonds"), and is issued to provide funds [to acquire and construct improvements to the System] [to refund certain outstanding obligations of the County payable from Revenue of the System] [and to pay the costs of issuing the Bonds].

The Bonds are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington (the "State"), the County Charter and applicable ordinances duly adopted by the County, including Ordinance _____ (the "Bond Legislation"). Capitalized terms used in this bond and not defined herein have the meanings given such terms in the Bond Legislation.

The Bonds are subject to redemption as provided for in the Bond Legislation.

The Bonds are special limited obligations of the County, payable solely from the special fund of the County known as the Water Quality Revenue Bond Account (the "Parity Bond Fund"), and are not obligations of the State or any political subdivision thereof other than the County, and neither the full faith and credit nor the taxing power of the County or the State or any political subdivision thereof is pledged to the payment of this bond or the Bonds.

The County hereby covenants and agrees with the Registered Owner of this bond that it will keep and perform all the covenants of this bond and of the Bond Legislation to be kept and performed by it. The County has obligated and bound itself to set aside and pay into the Parity Bond Fund out of Revenue of the System the various amounts required by the Bond Legislation to be paid into and maintained in the Parity Bond Fund all within the times provided by the Bond Legislation.

The amounts so pledged to be paid out of Revenue of the System are hereby declared to be a prior lien and charge thereon superior to all other liens and charges of any kind or nature except Operating and Maintenance Expenses. The amounts so pledged out of Revenue of the System are further declared to be of equal lien to charges that have been or may be made thereon to pay the principal of and interest on outstanding Parity Bonds and any Future Parity Bonds.

The County has pledged that it will cause the System to be maintained in good condition and repair and to be operated in an efficient manner and at a reasonable cost. The County has further pledged that it will at all times establish, maintain and collect adequate rates and charges for sewage disposal service as provided in the Bond Legislation. Reference to the Bond Legislation is made for a description of the nature and extent of the security for the Bonds, the funds or revenues pledged, and the terms and conditions upon which the Bonds are issued.

The pledge of revenues and other obligations of the County under the Bond Legislation may be discharged prior to the maturity of the Bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Legislation.

This bond will not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Legislation until the Certificate of Authentication hereon has been manually signed by the Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State and the Charter and ordinances of the County to exist and to have happened, have been done and performed precedent to and in the issuance of this bond do exist and have happened, been done and performed and that the issuance of this bond and the Bonds does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the County may incur.

IN WITNESS WHEREOF, the County has caused this bond to be executed by the manual or facsimile signature of the County Executive, to be attested by the manual or facsimile signature of the Clerk of the County Council, and the seal of the County to be impressed or imprinted hereon, all as of _____.

KING COUNTY, WASHINGTON

By: _____
King County Executive

ATTEST:

Clerk of the County Council

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____.

This is one of the fully registered Sewer Revenue [and] [Refunding] Bonds, [Year], Series _____, of King County, Washington, dated _____, described in the within mentioned Bond Legislation.

WASHINGTON STATE FISCAL AGENT
as Registrar

By _____
Authorized Signer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF
TRANSFeree

(Please print or typewrite name and address, including zip code of Transferee)

the within bond and does hereby irrevocably constitute and appoint _____
or its successor, as Registrar to transfer this bond on the books kept for registration thereof with
full power of substitution in the premises.

DATED: _____, 20__.

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

NOTICE: Signatures must be guaranteed pursuant to law.

ATTACHMENT C –

FORM OF PARITY LIEN OBLIGATION

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the County or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

R- _____

\$ _____

STATE OF WASHINGTON

KING COUNTY

LIMITED TAX GENERAL OBLIGATION [AND] [REFUNDING] BOND (PAYABLE FROM SEWER REVENUES), [YEAR], SERIES _____

INTEREST RATE _____ MATURITY DATE _____ CUSIP NO. _____
_____ % _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO 100/DOLLARS

KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, the Principal Amount specified above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the date of this bond, or the most recent date to which interest has been paid or duly provided for, until payment of this bond, at the Interest Rate specified, payable on _____, and semiannually thereafter on each succeeding _____ and _____.

Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as this bond is registered in the name of Cede & Co., as the nominee of The Depository Trust Company ("DTC"), principal of and premium, if any, and interest on this bond are payable in the manner set forth in the Blanket Issuer Letter of Representations by and between the County and DTC. When this bond is not registered in the name of the Securities Depository, interest on this bond is payable by electronic transfer on the interest payment date, or by check or draft of the fiscal agent of the State of Washington (as the same may be designated by

the State of Washington from time to time, the "Registrar") mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. The County is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. When this bond is not registered in the name of the Securities Depository, principal of and premium, if any, on this bond are payable upon presentation and surrender of this bond by the Registered Owner to the Registrar at maturity or upon prior redemption in full.

This bond is one of an authorized issue of bonds in the aggregate principal amount of \$_____ (the "Bonds"), and is issued to provide funds [to acquire and construct improvements to the System] [to refund certain outstanding obligations of the County payable from Revenue of the System] [and to pay the costs of issuing the Bonds].

The Bonds are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington (the "State"), the County Charter and applicable ordinances duly adopted by the County, including Ordinance _____ (the "Bond Legislation"). Capitalized terms used in this bond and not defined herein have the meanings given such terms in the Bond Legislation.

The Bonds are subject to redemption as provided for in the Bond Legislation.

The Bonds are general obligations of the County. The County has irrevocably covenanted and agreed for as long as any of the Bonds are outstanding and unpaid, that each year it will include in its budget and levy an ad valorem tax upon all property within the County subject to taxation in an amount that will be sufficient, together with all other revenues and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as the same becomes due. The County has pledged that the annual tax authorized to be levied for the payment of such principal and interest shall be within and a part of the tax levy permitted to counties without a vote of the people. The full faith, credit and resources of the County have been irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds as the same becomes due.

The County has further obligated and bound itself to set aside and pay into the Parity Lien Obligation Bond Fund out of Revenue of the System amounts sufficient to pay when due the principal of and interest on the Bonds. The pledge of Revenue of the System constitutes a lien and charge on Revenue of the System subject to Operating and Maintenance Expenses and junior, subordinate and inferior to the lien and charge on Revenue of the System securing the Parity Bonds, equal to the lien and charge securing the outstanding Parity Lien Obligations and any additional Parity Lien Obligations hereafter issued, and superior to any other charges whatsoever. The County has reserved the right to issue additional Parity Lien Obligations on the terms and conditions set forth in the Bond Legislation.

The County has pledged that it will cause the System to be maintained in good condition and repair and to be operated in an efficient manner and at a reasonable cost. The County has further pledged that it will at all times establish, maintain and collect adequate rates and charges for sewage disposal service as provided in the Bond Legislation. Reference to the Bond

Legislation is made for a description of the nature and extent of the security for the Bonds, the funds or revenues pledged, and the terms and conditions upon which the Bonds are issued.

The pledge of tax levies and revenues and other obligations of the County under the Bond Legislation may be discharged prior to maturity of the Bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Legislation.

This bond will not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Legislation until the Certificate of Authentication hereon has been manually signed by the Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State and the Charter and ordinances of the County to exist and to have happened, have been done and performed precedent to and in the issuance of this bond do exist and have happened, been done and performed and that the issuance of this bond and the Bonds does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the County may incur.

IN WITNESS WHEREOF, the County has caused this bond to be executed by the manual or facsimile signature of the County Executive, to be attested by the manual or facsimile signature of the Clerk of the County Council, and the seal of the County to be impressed or imprinted hereon, all as of _____.

KING COUNTY, WASHINGTON

By: _____
King County Executive

ATTEST:

Clerk of the County Council

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____.

This is one of the fully registered Limited Tax General Obligation [and] [Refunding] Bonds (Payable from Sewer Revenues), [Year], Series _____, of King County, Washington, dated _____, described in the within mentioned Bond Legislation.

WASHINGTON STATE FISCAL AGENT
as Registrar

By _____
Authorized Signer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF
TRANSFeree

(Please print or typewrite name and address, including zip code of Transferee)

the within bond and does hereby irrevocably constitute and appoint _____
or its successor, as Registrar to transfer this bond on the books kept for registration thereof with
full power of substitution in the premises.

DATED: _____, 20__.

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

NOTICE: Signatures must be guaranteed pursuant to law.



King County

**Metropolitan King County Council
Budget and Fiscal Management Committee**

STAFF REPORT

Agenda Item:	5	Name:	Jenny Giambattista
Proposed No.:	2026-0104	Date:	May 27, 2026

SUBJECT

Proposed Ordinance 2026-0104 would authorize the issuance and sale of sewer revenue bonds and limited tax general obligation bonds in an amount not to exceed \$1.0 billion to provide funds for acquiring and constructing improvements to the sewer system through 2027 and issuance of refunding bonds without limitation to “refinance” outstanding sewer system debt to reduce future debt service costs.

SUMMARY

The Wastewater Treatment Division’s (WTD) capital program is funded primarily through the issuance of bonded indebtedness, including sewer revenue bonds and general obligation bonds that are payable from sewer revenues and also backed by the county’s General Fund. Proposed Ordinance 2026-0104 would authorize the sale of up to an aggregate principal amount of \$1.0 billion in bonded indebtedness for wastewater construction purposes, and would also authorize the issuance of refunding bonds without amount limitation to “refinance” outstanding sewer system debt to reduce future debt service costs.

Consistent with prior sewer revenue ordinances, proposed Ordinance 2026-0104 would continue to grant the finance director the authority to approve bond sale actions within specified criteria. Historically, a debt service reserve fund (DSRF) was required by WTD bond covenants, which was based upon industry best practices. Over the last decade the industry has moved away from utilizing DSRFs because they are very restrictive in nature. Accordingly, WTD bond covenants no longer require the DSRF to be funded. This authority delegated to the finance director by this ordinance would expire on December 31, 2027.

BACKGROUND

King County’s regional wastewater treatment system operates three regional wastewater treatment plants, two localized treatment plants, more than 390 miles of sewer interceptors, 48 pump stations, 25 regulator stations, and various related facilities and systems. The regional system receives wastewater from cities and sewer districts

and conveys it to treatment facilities for treatment and discharge. The 2026-2027 biennial capital budget for King County’s Water Quality Construction Fund, which supports system upgrades, maintenance, and replacement is \$1.3 billion. Major capital undertakings include the construction of Combined Sewer Overflow control facilities, treatment plant upgrades and repair, and other costs.

Sale of Bonds. The Wastewater Treatment Division’s (WTD) capital program has historically been funded primarily by the sale of bonds authorized by Council, consistent with Wastewater Financial Policies provided for in King County Code:

28.86.160 Financial policies FP-13: The wastewater system’s capital program shall be financed predominantly by annual staged issues of long-term general obligation or sewer revenue bonds.

WTD currently carries an outstanding principal of approximately \$3.6 billion of bonded indebtedness, based on the long-term capital program described above. Table 1 provides a breakdown of the bonds by the type of debt instrument. Bonds are repaid by scheduled debt service payments supported by the sewer rate approved annually by the King County Council. According to information provided with the Council’s consideration of the 2027 sewer rate, total debt service payments for 2026 are forecasted at \$315 million.

**Table 1.
Summary of Outstanding Wastewater Debt Obligations**

Debt Type	Outstanding Principal as of 12/31/25
Sewer Revenue Bonds	\$ 2,123,758,000
Sewer/LTGO Bonds	\$ 668,850,000
Variable Rate Sewer Revenue Bonds	\$ 556,610,000
Commercial Paper	\$ 183,900,000
State Loans	\$ 339,901,000
Total	\$ 3,873,019,000

ANALYSIS

Proposed Ordinance 2026-0104 would serve as the successor to Ordinance 19785, which expires in December 2026. Proposed Ordinance 2026-0104 would serve as the bond financing mechanism for the WTD capital projects that are included in the 2026-2027 biennial budget. The proposed ordinance would authorize the sale of up to an aggregate principal amount of \$1.0 billion in bonded indebtedness for wastewater construction purposes and would continue to grant the Finance Director the authority to approve bond sale actions within specified criteria. Additionally, the authorization period would be extended through 2027.

The proposed ordinance would also continue to authorize the issuance of senior lien refunding bonds, with no dollar limitation, during the remainder of the biennium to reduce debt service costs on outstanding bonds whenever the savings exceed certain targets identified in the County's Debt Management Policy as adopted by Motion 15984.

The proposed ordinance also includes minor edits to achieve further consistency with the County's existing junior lien debt ordinance and clarifying language relating to the maximum term for WIFIA loans and the designation by WTD of debt service funds and accounts.

Since enactment of Ordinance 19785, the Finance Director has been authorized to set the reserve requirement as the Finance Director deems appropriate. (The previous reserve requirement, based on the annual parity debt service, was \$154 million.) With this new authority, 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.

In 2025, WTD moved the entire cash portion of the Debt Service Reserve Fund (DSRF) account into a Redemption Account (\$37.0 million) to fund future bond payments, a Voluntary Reserve (\$83.2 million) to act as cash on hand to manage short-term liquidity, and into longer dated investments managed by the County (\$10.6 million). A Debt Redemption Account is a restricted account used to accumulate funds designated for the repayment, redemption, or defeasance of outstanding debt obligations. Amounts held in the account may be used to pay scheduled principal and interest or to retire debt prior to maturity in accordance with bond covenants or applicable financial policies. Currently, there are no funds in the DSRF. WTD has still maintained its investments of \$29.6 million in surety bonds.

Fiscal Impact. The fiscal note (Attachment 2) forecasts the anticipated revenues from the sale of bonds authorized from Proposed Ordinance 2026-0104 would be \$1.0 billion. The fiscal note states the total debt authorization includes \$453.8 million of new bond issuance, \$149.3 of WIFIA loan agreements, \$300.0 million of defeasance (refinancing), and \$96.0 million of buffer debt issuance. The anticipated debt service from this bond issuance is projected to be \$307.8 million between 2027 to 2031.

Refinancing. While the executive's fiscal note does not forecast savings from potential refinancing, if WTD can replace the existing bonds for lower-cost bonds, there would be savings for ratepayers. The savings from refinancing are dependent on favorable market conditions, so savings are not assumed. Per the county's adopted Debt Management Policy, for WTD do a refinancing of a bond, it must meet the savings thresholds that are outlined in the debt policy. During the period of this ordinance there are \$124 million of outstanding bonds that will become callable and will be evaluated for refunding opportunities per the debt policy.

AMENDMENT

None

INVITED

- Carol Basile, Public Finance Officer, Department of Executive Services
- Caitlyn Hall, Wastewater Treatment Division Chief Financial Officer, Department of Natural Resources and Parks
- Chris McGowan, Senior Budget Analyst, Executive Office

ATTACHMENTS

1. Proposed Ordinance 2026-0104 and its attachments
2. Transmittal Letter
3. Fiscal Note



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Ordinance

Proposed No. 2026-0121.1

Sponsors Perry

1 AN ORDINANCE relating to retail establishments;
2 changing the effective date of the requirement that retailers
3 in unincorporated King County, unless otherwise
4 exempted, must accept payment in cash; and amending
5 Ordinance 19639, Section 6, as amended.

6 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

7 **SECTION 1. Findings:**

8 A. King County strives to be an equitable and inclusive place and strives to
9 empower all residents to participate in the economic life of the county. A key aspect of
10 participation in economic life is the ability to purchase food, consumer goods, and
11 consumer services.

12 B. On July 10, 2023, Ordinance 19639 was enacted, which requires retailers in
13 unincorporated King County, unless otherwise exempted, to accept payment in cash. The
14 effective date of Ordinance 19639 was set as July 1, 2025.

15 C. After determining that additional time and effort would be necessary to ensure
16 that retailers in unincorporated King County could be educated about the requirements of
17 Ordinance 19639 and prepared to accept payment in cash and that enforcement
18 mechanisms could be developed, on April 11, 2025, Ordinance 19911 was enacted,
19 which amended Ordinance 19639 to change the effective date to July 1, 2026.

20 D. Additional time and effort are necessary to ensure that retailers in

21 unincorporated King County are educated about the requirements of Ordinance 19639
22 and prepared to accept payment in cash and to develop enforcement mechanisms.

23 SECTION 2. Ordinance 19639, Section 6, as amended, is hereby amended to
24 read as follows:

25 Ordinance 19639 takes effect July 1, (~~2026~~) 2027.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

APPROVED this ____ day of _____, _____.

Girmay Zahilay, County Executive

Attachments: None



King County

**Metropolitan King County Council
Committee of the Whole**

STAFF REPORT

Agenda Items:	6	Name:	Mary Bourguignon
Proposed No.:	2026-0121	Date:	May 26, 2026

SUBJECT

Proposed Ordinance 2026-0121 would extend the effective date of Ordinance 19639, as amended by Ordinance 19911, for one year, to July 1, 2027.

SUMMARY

Ordinance 19639, which was enacted in July 2023, required retailers in unincorporated King County, unless otherwise exempted, to accept payment in cash beginning July 1, 2025. Ordinance 19911 extended that effective date to July 1, 2026.

Ordinance 19639 requires that unincorporated area retailers accept cash for in-person purchases up to \$200, with the caveat that a retailer can refuse cash suspected to be counterfeit, can refuse bills larger than \$20, and can refuse cash if they have a cash-to-card kiosk on the premises that converts cash into a prepaid card. Transactions made by phone, mail, Internet, mobile app, for Metro Transit fares, or when an employee is not physically present (such as at a parking lot payment kiosk) are exempt.

Retailers seeking to be exempted from the requirement can apply to the Hearing Examiner with documentation of a history of theft or attempted theft, the presence of only a single employee, the location of the retail establishment within a residence, distance of more than 15 miles by road to a bank branch, or other circumstances.

Ordinance 19639 did not specify enforcement mechanisms. Instead, the ordinance asked the Executive to transmit an implementation and enforcement plan in December 2024. The transmitted plan¹ outlined three potential levels of informational outreach and enforcement, which are estimated to range in cost from \$360,000 to \$770,000 annually and would require General Fund appropriations.

Proposed Ordinance 2026-0121 cites the need for additional time and resources to educate affected retailers and develop enforcement mechanisms in response to Ordinance 19639, and extends the effective date for one year, to July 1, 2027.

¹ 2024-RTP0140, King County Department of Local Services, Unincorporated King County Retailer Cash Requirement Implementation and Enforcement Plan, November 27, 2024 ([link](#))

BACKGROUND

Trends in cash and credit use. Over the last decade, American consumers have increasingly begun to pay for their purchases using credit cards, debit cards, and Internet-based mobile payment apps, rather than cash. This trend was furthered during the pandemic when many retailers stopped accepting cash and switched to contactless forms of payment.

According to a study published by the Federal Reserve last year,² in 2024, 65% of consumer payments were made by credit and debit cards, while cash accounted for 14% of payments.

However, the study noted that cash use has remained relatively constant for four years after declining during the pandemic, meaning that there may be a “floor” of cash use that consumers are choosing not to fall below. Specifically, the study pointed to a difference in cash use by age and income:

- Consumers living in households earning less than \$25,000 a year used cash for 24% of payments, more than twice as much as people in households earning more than \$100,000.
- Consumers 55 and older used cash for 19% of all payments, compared to 10% for consumers aged 25-54.

Local requirements for use of cash. In recent years, in response to the trend toward cashless payments, and to ensure access to goods and services by low-income people, seniors, and others who might prefer to use cash, a number of local and state governments have passed laws requiring retail establishments to accept cash. These include the City of New York, City and County of San Francisco, City of Philadelphia, Washington DC, and Commonwealth of Massachusetts.³

King County cash requirement. Ordinance 19639, which was enacted in July 2023, requires retailers in unincorporated King County, unless otherwise exempted, to accept payment in cash beginning on July 1, 2025, when the ordinance was set to take effect. The effective date was extended to July 1, 2026, by Ordinance 19911.

The ordinance requires that unincorporated area retailers accept cash for in-person purchases up to \$200, with the caveat that a retailer can refuse cash suspected to be counterfeit, can refuse bills larger than \$20, and can refuse cash if they have a cash-to-card kiosk on the premises that converts cash into a prepaid card. Transactions made by phone, mail, Internet, mobile app, for Metro Transit fares, or when an employee is not physically present (such as at a parking lot payment kiosk) are exempt.

² Bayeh, Berhan, Isaiah Nardone, Shaun O'Brien, and Hailey Phelps, The Federal Reserve Financial Services, 2025 Findings from the Diary of Consumer Payment Choice ([link](#))

³ Information about the cash requirements and enforcement mechanisms in these jurisdictions can be found in 2024-RTP0140, King County Department of Local Services, Unincorporated King County Retailer Cash Requirement Implementation and Enforcement Plan, November 27, 2024 ([link](#))

The ordinance offers an exemption process for retailers that believe the cash requirement would be a hardship. To qualify for this exemption, the retailer must write to the King County Hearing Examiner and document the specific reasons that accepting cash payments will pose unique difficulties, including, but not limited to:

- A history of theft or attempted theft at the retail establishment or a bona fide concern for theft or robbery of cash,
- The presence of only a single retail employee at the retail establishment,
- Location of the retail establishment within a residence,
- Distance of 15 or more miles by road between the retail establishment and the nearest branch of a banking institution, and
- Other circumstances that affect the ability of the retailer to accept cash payments.

Implementation and enforcement plan. Ordinance 19639 did not outline a plan for enforcement of the cash requirement. Instead, it asked the Executive to transmit an implementation and enforcement plan by December 1, 2024.

The implementation and enforcement plan,⁴ which was transmitted in late 2024 as required, is based on information obtained by the Department of Local Services (DLS) from the City of New York, City and County of San Francisco, City of Philadelphia, Washington DC, and Commonwealth of Massachusetts.

After noting that King County does not employ consumer protection or business regulation staff and does not generally operate business regulation functions, the report outlines several potential strategies for King County based on the experiences of the jurisdictions that were surveyed:

- **Building Awareness** information campaign for businesses, community-based organizations, and Chambers in seven languages. This approach would have an estimated start-up cost of \$360,000, including funding for a nine-month term-limited temporary (TLT) position and a grant program to assist with outreach. Ongoing expenses for this approach are estimated at \$10,000/year, including a frequently-asked-questions document and web site.
- **Targeted education** (letter and materials) to businesses reported as being out of compliance with the cash requirement. This would require a full-time employee (FTE) at the Administrator I level to triage and respond to complaints. Start-up costs are estimated at \$360,000, with an ongoing annual cost of \$180,000.
- **Enforcement** for businesses reported as being out of compliance that do not take corrective action after receiving targeted education materials. This approach would require a new Consumer Protection Unit within DLS. Start-up costs are estimated at \$490,000, with an ongoing annual cost of \$770,00, which would include a tracking system, two FTE code enforcement officers, a per-visit cost, and system maintenance.

⁴ 2024-RTP0140, King County Department of Local Services, Unincorporated King County Retailer Cash Requirement Implementation and Enforcement Plan, November 27, 2024 ([link](#))

The transmitted implementation and enforcement plan recommends proceeding with the “building awareness” level of outreach. It states that DLS would require additional General Fund resources to move forward with this recommended approach or with either of the other two options.

ANALYSIS

Proposed Ordinance 2026-0121 cites the need for additional time and resources to ensure that affected retailers are educated about the requirements of Ordinance 19639 and prepared to accept cash and to develop and implement enforcement mechanisms, and extends the effective date of Ordinance 19639 for one year, to July 1, 2027.

ATTACHMENTS

1. Proposed Ordinance 2026-0121
2. Ordinance 19639
3. 2024-RTP0140 (King County Department of Local Services, Unincorporated King County Retailer Cash Requirement Implementation and Enforcement Plan)



Signature Report

Ordinance

Proposed No. 2026-0040.1

Sponsors Barón and Dembowski

1 AN ORDINANCE relating to the department of public
2 defense standards for indigent defense; amending
3 Ordinance 17588, Section 4, as amended, and K.C.C.
4 2.60.026 and adding a new section to K.C.C. chapter 2.60.

5 STATEMENT OF FACTS:

- 6 1. In January 2022, the Washington State Bar Association ("the WSBA")
7 Council on Public Defense ("the CPD") undertook a comprehensive
8 revision of the WSBA standards for indigent defense services.
- 9 2. In October 2023, following the release of a national study of public
10 defense workloads ("the RAND study"), the Washington Supreme Court
11 ("the Supreme Court") requested the CPD review the RAND study and
12 make recommendations, if any, regarding attorney caseload standards to
13 the Supreme Court.
- 14 3. In 2024, the CPD proposed and the WSBA Board of Governors
15 adopted revised standards for indigent defense services ("the WSBA
16 Revised Standards"), including new attorney caseload standards informed
17 by the RAND study, and recommended that the Supreme Court
18 incorporate the WSBA Revised Standards into the court rules governing
19 indigent defense standards.

- 20 4. On June 5, 2025, the Supreme Court issued Order No. 25700-A-1642,
21 which extended the suspension of Standard 14 of CrR 3.1, CrRLJ 3.1, and
22 JuCR 9.2 – Qualifications of Attorneys for one year, or until otherwise
23 ordered by the court. The order also modified the Certification of
24 Appointed Counsel of Compliance With Standards Required by CrR
25 3.1/CrRLJ 3.1/JuCR 9.2 during the suspension of Standard 14.
- 26 5. On June 9, 2025, the Supreme Court issued interim order In re
27 Standards for Indigent Defense Implementation of CrR 3.1, CrRLJ 3.1,
28 and JuCR 9.2, Ord. No. 25700-A-1644, adopting new attorney caseload
29 standards for indigent defense effective January 1, 2026, and requiring full
30 implementation no later than January 1, 2036, upon meeting certain
31 conditions. The order was further clarified by Order No. 25700-A-1671,
32 which was issued by the court on November 6, 2025.
- 33 6. On September 5, 2025, the Supreme Court issued Order No. 25700-A-
34 1656, which addressed caseload standards for family defense cases, as
35 well as Order No. 25700-A-1657, which addressed interim caseload
36 standards for appellate cases pending further order of the court.
- 37 7. On December 15, 2025, the Supreme Court issued an order in the
38 matter of the adoption of amendments to the standards for indigent
39 defense by Order No. 25700-A-1681, finalizing the Supreme Court's
40 revisions with an effective date of January 1, 2026. The Supreme Court
41 indigent public defense standards are codified in the court rules ("the
42 Court Rules Standards").

43 8. Included in the amendments to the Court Rule Standards are updated
44 attorney caseload levels, now referred to as case credits. The Court Rules
45 Standards require public defense attorneys to use investigation services as
46 appropriate. In addition, the King County council recognizes the vital
47 importance of legal and administrative support staff including, but not
48 limited to, paralegals, legal assistants, mitigation specialists, investigators,
49 and social workers to ensure effective delivery of public defense services.

50 9. RCW 10.101.030 requires a county to adopt standards for the delivery
51 of public defense services and names specific elements that the standards
52 must address. The statute also states that the standards endorsed by the
53 WSBA for the provision of public defense services should serve as
54 guidelines to local legislative authorities in adopting standards.

55 10. This ordinance adopts the county's public defense services standards.
56 It is the expectation of the council that the provision of public defense
57 services will be further subject to collective bargaining agreements with
58 employees in the department of public defense and appropriations.

59 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

60 NEW SECTION. SECTION 1. There is hereby added to K.C.C. chapter 2.60 a
61 new section to read as follows:

62 In accordance with RCW 10.101.030:

63 A. The county adopts the Washington Supreme Court Standards for Indigent
64 Defense, promulgated by the Supreme Court in its order No. 276500-A-1681; and

65 B. In its order No. 276500-A-1681, where the Supreme Court has yet to issue a

66 standard, as indicated by use of the term "[RESERVED]", the county adopts the following
67 from the Washington State Bar Association's September 2024 Standards for Indigent
68 Defense Services. In those Standards adopted by this section, any internal reference to
69 another Standard that is not listed in this section is not adopted:

- 70 1. Standard One (Compensation);
- 71 2. Standards 4.A. (Expert Witnesses), only the first paragraph of 4.B.
72 (Mitigation Specialists, Social Workers), 4.C. (Mental Health Professionals for
73 Evaluations), 4.D. (Interpreters and Translators), and 4.E. (Cost of Expert Services);
- 74 3. Standards 7.A (Support Services Necessary for Legal Defense) and 7.B
75 (Providing for Support Services in Contract and Assigned Counsel Compensation); and
- 76 4. Standard Nine (Training); Standard Ten (Supervision); Standard Eleven
77 (Monitoring and Evaluation of Attorneys); Standard Twelve (Substitution of Counsel);
78 and Standard Sixteen (Cause for Termination of Defender Services and Removal of
79 Attorney).

80 SECTION 2. Ordinance 17588, Section 4, as amended, and K.C.C. 2.60.026 are
81 hereby amended to read as follows:

- 82 A. The department of public defense shall be directed by the county public
83 defender, whose duties include:
 - 84 1. Managing the department of public defense;
 - 85 2. Ensuring the department employs the needed technical and public defense
86 expertise to ensure effective delivery of public defense services;
 - 87 3. Representing the executive in all city, county, state and federal forums where
88 the defense perspective is required;

89 4. Ensuring that the American Bar Association Ten Principles (~~(for)~~ of a Public
90 Defense Delivery System, as approved by the American Bar Association House of
91 Delegates in (~~February~~) August of (~~(2002)~~) 2023, guide the management of the
92 department and development of department standards for legal defense representation,
93 and filing with the clerk of the council by April 1 of at least every other year a report on
94 the results of the county public defender's efforts in that regard;

95 5. Following the (~~Washington State Standards for Indigent Defense Services~~)
96 county's adopted standards for the delivery of public defense services;

97 6. Developing and maintaining appropriate standards and guidelines for the
98 qualifications and experience level of public defense attorneys and paraprofessionals;

99 7. Working collaboratively with the public defense advisory board and
100 providing relevant nonprivileged information to the board upon its reasonable request;
101 and

102 8. Fostering and promoting system improvements, efficiencies, access to justice
103 and equity in the criminal justice system.

104 B.1. The county public defender shall be appointed by the executive, subject to
105 confirmation by the council. The executive shall appoint one of the three candidates
106 recommended by the public defense advisory board, except that the executive may
107 request three additional candidates from the public defense advisory board, and the
108 executive may then appoint the county public defender from among the six candidates,
109 subject to confirmation by motion by the council. Confirmation requires the affirmative
110 votes of at least five members of the council.

111 2. Within seven days after either a vacancy occurs in the office of the county
112 public defender or the county executive learns that a vacancy is expected to occur within
113 one hundred eighty days, including but not limited to a vacancy that will result from the
114 expiration of the term of a county public defender who the executive determines to not
115 reappoint, the executive shall provide written notice of the vacancy or expected vacancy
116 to each member of the public defense advisory board and to the clerk of the council and
117 shall commence a national recruitment for candidates to fill the vacancy. Within sixty
118 days after commencing the recruitment, the executive shall provide to each member of
119 the public defense advisory board the names, resumes and all other relevant information
120 about all candidates who meet the qualifications for office set forth in the county charter
121 and subsection C. of this section. Within ninety days after receiving the names, resumes
122 and other relevant information about the qualified candidates from the executive, the
123 public defense advisory board shall provide in writing at the same time to the executive
124 and the clerk of the county council the names of three candidates to fill the vacancy,
125 together with copies of the candidates' resumes and other relevant information, including
126 all written information upon which the board relied in choosing the three candidates. The
127 board shall not rank the candidates, but may summarize the particular strengths of each
128 candidate. If the board is unable to provide the names of three candidates within ninety
129 days, the board may request in writing additional time from the executive, not to exceed
130 sixty days, to identify candidates.

131 3. The executive may request in writing to the board chair, within fifteen days
132 after receiving the list of three candidates, that the board provide to the executive the
133 names, resumes and other relevant written information of up to three additional

134 candidates, depending on the number of qualified candidates remaining, and the board
135 shall comply with such a request within sixty days and shall at the same time provide a
136 copy of the additional materials to the clerk of the council.

137 4. Within thirty days after receiving either the original list of three candidates or
138 the list of up to three additional candidates, the executive shall appoint the county public
139 defender by providing written notice of the appointment to the clerk of the council, who
140 shall provide an electronic copy of the notice to each councilmember and to the chair of
141 the public defense advisory board. If the board fails to timely recommend in writing to
142 the executive the initial three or sufficient additional candidates, as applicable, the
143 executive may either appoint the county public defender from among the candidates who
144 have been recommended or wait until the board has recommended the requisite number
145 of candidates and make the appointment within thirty days thereafter.

146 5. The county council may confirm or reject the executive's appointment by
147 adoption of a motion with the affirmative votes of at least five members. A motion to
148 confirm or reject the appointment shall be referred for committee consideration to the
149 council's committee of the whole.

150 6. If the council rejects the executive's appointment of the county public
151 defender and the executive has not previously elected to request additional candidates
152 from the advisory board under subsection B.3. of this section, the executive may request
153 the public defense advisory board for recommendation of up to three additional
154 candidates in accordance with subsection B.3. of this section. Such a request must be
155 made in writing within seven days after the council rejects the executive's appointment,
156 to the chair of the advisory board, with a copy to the clerk of the council.

157 7. Within thirty days after receiving the additional name or names, the executive
158 shall appoint the county public defender from among the recommended candidates,
159 except that the executive may not reappoint any candidate whose appointment has been
160 rejected by the council. If the advisory board fails to recommend the additional candidate
161 or candidates required by subsection B.3. and 6. of this section and provide the required
162 written information, the executive shall proceed in the same manner as set forth in
163 subsection B.4. of this section.

164 8. At any time after the commencement of the national recruitment process
165 required by subsection B.2. of this section, except when the executive has appointed a
166 county public defender and the council has not confirmed or rejected the appointment, the
167 executive may request that the council authorize the commencement of a new national
168 recruitment and public defense advisory board review and executive appointment
169 process. Such a request must be submitted in writing to the clerk of the council with a
170 copy to the chair of the advisory board. When so requested, the council may authorize
171 commencement of a new recruitment, advisory board review, and appointment process
172 by motion adopted with the affirmative votes of at least five councilmembers.

173 9. Within seven days after appointment, the county public defender shall
174 designate an employee in the department of public defense to serve as a deputy and, in
175 the event of a vacancy in that office, as interim county public defender until a new county
176 public defender has been appointed.

177 C. The county public defender must be an attorney admitted to practice law in
178 any jurisdiction within the United States and in active status and good standing. The
179 county public defender shall, within two years after appointment, be an attorney admitted

180 to practice law in the courts of the state of Washington and an active member of the
181 Washington State Bar Association in good standing and shall, at the time of appointment,
182 have at least seven years of experience as an attorney primarily practicing criminal
183 defense, including both felonies and misdemeanors, as well as supervisory and
184 managerial experience.

185 D. The term of office of the county public defender shall end at the same time as
186 the term of the county prosecuting attorney. The county executive may reappoint the
187 county public defender to additional four-year terms, subject to confirmation by the
188 county council. The county council may confirm or reject the executive's reappointment
189 by adoption of a motion with the affirmative votes of at least five members.

190 E. The executive may remove the county public defender from office for cause,
191 which includes, but is not limited to:

- 192 1. The grounds for vacancy of elective office under Section 680 of the King
193 County Charter;
- 194 2. Failure to meet the applicable legal requirements for serving as county public
195 defender, as set forth in the county charter or the county code;
- 196 3. Conviction of a crime;
- 197 4. A finding or stipulation of misconduct under the Washington Rules of
198 Professional Conduct; and
- 199 5. Failure to manage the department effectively.

200 F. To remove the county public defender for cause, the executive shall serve a
201 written notice of removal, specifying the cause for removal, by delivering a copy of the
202 notice to the county public defender personally or by leaving a copy of the notice at the

203 office of the county public defender with a secretary or other assistant to the county
204 public defender. The executive shall contemporaneously deliver a copy of the written
205 notice of removal to the clerk of the council and to the chair of the public defense
206 advisory board.

207 G. The county public defender may appeal removal to the council by delivering a
208 written notice of appeal to the clerk of the council within ten days after service of the
209 written notice of removal. The notice of appeal shall be delivered at the same time to the
210 executive and to the chair of the public defense advisory board. The council shall review
211 de novo the grounds for removal and either affirm or reverse the removal within thirty
212 days after delivery of the notice of appeal by an affirmative vote of five members, or else
213 the removal shall stand. Removal of the county public defender is effective upon the
214 earliest of:

- 215 1. Ten days after service of notice of removal, if the county public defender
216 serves no notice of appeal;
- 217 2. Affirmation of removal by the council following an appeal;
- 218 3. Thirty days after delivery of the notice of appeal, if the council neither
219 affirms nor reverses the removal; or
- 220 4. The county public defender's delivery of a written notice of resignation to the
221 executive or the clerk of the council.

222 H. The county public defender shall receive compensation at the same rate as the
223 prosecuting attorney.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

APPROVED this ____ day of _____, ____.

Girmay Zahilay, County Executive

Attachments: None



King County

**Metropolitan King County Council
Law and Justice Committee**

STAFF REPORT

Agenda Item:	4	Name:	Melissa Bailey Leah Krekel-Zoppi
Proposed No.:	2026-0040	Date:	March 4, 2026

SUBJECT

Proposed Ordinance 2026-0040 would update the County's adopted standards for the delivery of public defense services.

SUMMARY

State law requires counties to adopt standards for the delivery of public defense services and lists 16 elements that must be addressed in those standards. It also notes that the standards endorsed by the Washington State Bar Association (WSBA) should serve as guidelines.

King County Code currently instructs the Public Defender to follow the "Washington State Standards for Indigent Defense Services." It is unclear, however, whether this refers to the WSBA or the Washington Supreme Court's standards. Historically, the two sets of standards have been consistent, but recent revisions have resulted in differences in the caseload standard.¹ It also directs the County Public Defender to rely on the American Bar Association (ABA) Ten Principles for a Public Defense Delivery System (approved February 2002) to guide the management of the department and development of department standards for legal defense representation.

The proposed ordinance would update the county code to specify the County's adopted standards for the delivery of public defense services by adopting the Supreme Court's Standards for Indigent Defense. Where the Supreme Court has yet to issue a standard, the county would adopt the following from the WSBA's September 2024 Standards: Standard One; Standards 4.A., paragraph 1 of 4.B., 4.C., 4.D., and 4.E.; Standards 7.A and 7.B; Standard Nine; Standard Ten; Standard Eleven; Standard Twelve; and Standard Sixteen. It would also update the code to refer to the August 2023 version of the ABA Ten Principles of a Defense Delivery System. Council staff analysis is ongoing.

¹ Both agree on a lower caseload limit but with different implementation timelines.

BACKGROUND

Standards for Public Defense. The Washington State Bar Association (WSBA) first adopted standards for indigent defense services in 1984 (WSBA Standards).² In 1989, the state legislature mandated cities and counties to adopt standards for the delivery of public defense services and included 16 elements required to be included in local standards.³ In 2005, this state statute was amended to provide that the WSBA Standards should serve as guidelines to local legislative authorities in adopting standards.⁴ In 2012, the Washington Supreme Court (the Supreme Court) adopted aspects of the WSBA Standards into court rules (the Court Rule Standards).

State Law. State law⁵ requires counties to adopt standards for the delivery of public defense services and that the adopted standards include the following 16 elements:

1. Compensation of counsel;
2. Duties and responsibilities of counsel;
3. Case load limits and types of cases;
4. Responsibility for expert witness fees and other costs associated with representation;
5. Administrative expenses;
6. Support services;
7. Reports of attorney activity and vouchers;
8. Training;
9. Supervision;
10. Monitoring and evaluation of attorneys;
11. Substitution of attorneys or assignment of contracts;
12. Limitations on private practice of contract attorneys;
13. Qualifications of attorneys;
14. Disposition of client complaints;
15. Cause for termination of contract or removal of attorney; and
16. Nondiscrimination.

And, as noted, state law also provides that the standards endorsed by the WSBA for the provision of public defense services should serve as guidelines for local legislative authorities.⁶ The WSBA Standards address all 16 elements mandated by state statute whereas the Court Rule Standards do not.

² The WSBA operates under the delegated authority of the Washington Supreme Court and exercises a governmental function authorized by the Washington Supreme Court to license and regulate the state's more than 40,000 legal professionals. The WSBA administers the bar admission process, including the bar exam, provides record-keeping and licensing functions; administers the lawyer discipline system; and provides continuing legal education for legal professionals.

³ RCW 10.101.030. Laws of 1989, Chapter 409, Section 4.

⁴ RCW 10.101.030. Laws of 2005, Chapter 157, Section 2.

⁵ RCW 10.101.030.

⁶ RCW 10.101.030. During the 2026 Legislative Session, legislation was introduced to direct local legislative authorities to align, if practicable, with the Court Rule Standards and to use WSBA Standards if

WSBA Standards and Court Rule Standards. The WSBA Standards have historically been consistent with, but more comprehensive than, the Court Rule Standards. However, in 2024, the WSBA Standards underwent a comprehensive revision, and the standard dealing with caseload limits (Standard 3) diverged from the Court Rule Standard on caseload limits.⁷ The Supreme Court ultimately issued an order updating the Court Rule Standards – agreeing with the lower caseload limits recommended by the WSBA but not mandating case weighting and providing for a longer timeline of 10 years rather than three years to achieve full implementation.⁸

King County Code. In 2013, the Department of Public Defense was established in the King County Charter and in county code.⁹ At that time, the county also codified requirements related to standards for the delivery of public defense services.¹⁰ County code directs the County Public Defender to:

- Rely on the American Bar Association (ABA) Ten Principles for a Public Defense Delivery System (as approved by the ABA House of Delegates in February 2002) to guide the management of the department and development of department standards for legal defense representation¹¹; and
- Follow the "Washington State Standards for Indigent Defense Services."¹² The County Code is unclear as to whether this refers to the WSBA Standards or the Court Rule Standards.

As part of the 2026-2027 Biennial Budget adoption process, then-County Executive Shannon Braddock transmitted an ordinance to clarify that it was the County's intent to follow the Washington Supreme Court Standards for Indigent Defense (the Court Rule Standards).^{13,14} The proposed ordinance was briefed in the Budget and Fiscal Management (BFM) Committee on October 28, 2025, however the BFM Committee decided not to act on the proposed ordinance and to wait for a final order from the Supreme Court before amending the county code. Additionally, the 2026-2027 Biennial Budget Ordinance, adopted on November 18, 2025, included the following statement of facts¹⁵:

- *In 2024, the Washington State Bar Association ("the WSBA") Board of Governors adopted revised standards for indigent defense services ("the*

desired but only if they do not conflict with the Court Rule Standards ([HB 2163](#) and [SB 5913](#)). These bills, however, have not received a hearing,

⁷ WSBA Standards for Indigent Defense Services Revised March 8, 2024 and September 7, 2024 [\[LINK\]](#)

⁸ Washington Supreme Court [Order No. 276500-A-1681](#)

⁹ King County Charter Section 350.20.60 and K.C.C. Chapter 2.60.

¹⁰ Ordinance 17588 and K.C.C. 2.60.026

¹¹ K.C.C. 2.60.026.A(4); ABA Ten Principles of a Public Defense Delivery System, Feb. 2002 [\[LINK\]](#).

Note, in August 2023, the ABA House of Delegates approved the Revised ABA Ten Principles of a Public Defense Delivery System [\[LINK\]](#).

¹² K.C.C. 2.60.026.A(5). At the time this code change went into effect, the WSBA Standards (2011) addressed all mandated elements required by state statute.

¹³ [Proposed Ordinance 2025-0305](#). See staff report for additional background information.

¹⁴ Codified as Washington State Supreme Court Rule CrR 3.1, CrRLJ 3.1, and JuCr 9.2.

¹⁵ [Ordinance 20023](#)

*WSBA Revised Standards") and recommended that the Washington state Supreme Court ("the Supreme Court") incorporate the WSBA Revised Standards into the court rules governing indigent defense standards. On June 9, 2025, the Supreme Court issued interim order *In re Standards for Indigent Defense Implementation of CrR 3.1, CrRLJ 3.1, and JuCR 9.2*, Ord. No. 25700-A-1644, adopting new attorney caseload standards for indigent defense effective January 1, 2026, and requiring full implementation no later than January 1, 2036, upon meeting certain conditions. RCW 10.101.030 requires a county to adopt standards for the delivery of public defense services and states that the standards endorsed by the WSBA for the provision of public defense services should serve as guidelines to local legislative authorities in adopting standards.*

- *The 2026-2027 biennial budget is predicated on implementing the Supreme Court's interim order regarding attorney caseload standards and to achieve the caseload standards in accordance with the conditions and timeline set forth in the interim order, continuing to use a case-weight credit policy, and following Phase 1 of Standard 3.O. in the WSBA Revised Standards; and*
- *It is the council's intent to review the county's standards for the delivery of public defense services. It is also the council's intent for the county to work with the state to address the adequacy of state funding for public defense services.*

On December 15, 2025, the Supreme Court issued Order No. 276500-A-1681 finalizing the Court Standards for Indigent Defense.¹⁶

ANALYSIS

Proposed Ordinance 2026-0040 would do the following:

- **Section 1** would add a new section to K.C.C. Chapter 2.60 clarifying that, in accordance with state law, the County adopts the Washington Supreme Court Standards for Indigent Defense (the Court Rule Standards). Where the Supreme Court has yet to issue a standard, the County would adopt the following from the WSBA's September 2024 Standards for Indigent Defense Services:
 - Standard 1(Compensation);
 - Standards 4.A. (Expert Witnesses), the first paragraph of 4.B. (Mitigation Specialists, Social Workers) 4.C (Mental Health Professionals for Evaluations)., 4.D. (Interpreters and Translators), and 4.E. (Cost of Expert Services);
 - Standards 7.A (Support Services Necessary for Legal Defense) and 7.B (Providing for Support Services in Contract and Assigned Counsel Compensation);

¹⁶ Washington Supreme Court [Order No. 276500-A-1681](#).

- Standard 9 (Training);
 - Standard 10 (Supervision);
 - Standard 11 (Monitoring and Evaluation of Attorneys);
 - Standard 12 (Substitution of Counsel); and
 - Standard 16 (Cause for Termination of Defender Services and Removal of Attorney).
- **Section 2** would amend K.C.C. 2.60.026 so it refers to the August 2023 version of the ABA Ten Principles of a Defense Delivery System rather than the February 2002 version. It would also amend K.C.C. 2.60.026 to refer to the “county’s adopted standards for the delivery of public defense services” rather than the “Washington State Standards for Indigent Defense Services.”

WSBA Standards and Court Rule Standards. State law requires counties to adopt standards for the delivery of public defense services and that the adopted standards shall include the 16 elements listed in the background section of this staff report. The state statute does not provide specific requirements for what must be included in each standard element, but states that the WSBA Standards should serve as guidelines. What elements to include within each required standard are a policy choice for counties. Public defense attorneys must certify that they comply with the Court Rule Standards and must adhere to the Washington Rules of Professional Conduct.¹⁷

Each standard element is listed below with a comparison of the relevant WSBA Standard (September 2024) and Court Rule Standard (December 2025). At the end of each comparison summary, there is a note indicating which standard the proposed ordinance would adopt (also noted by **) and discussion of impacts. Council staff analysis is ongoing. Analysis of the fiscal impacts of the proposed ordinance will be provided in the staff report at the next committee hearing of this item.

Table 1. Comparison of WSBA Standards (September 2024) and Court Rule Standards (December 2025)

STANDARD 1: COMPENSATION OF COUNSEL	
WSBA Standard**	Court Rule Standard
<p><i>1.A. Employees:</i> Compensation for public defense agency employees shall:</p> <ul style="list-style-type: none"> ● Be at a rate commensurate with training and experience; ● Be comparable to attorneys and staff in prosecution or other opposing party offices in the area; ● Include necessary costs for administrative expenses, support staff, training, and supervision (Standards 5, 7, 9, and 10, respectively). <p><i>1.B. Contract/Assigned Counsel:</i> List in 1.A. applies to attorneys in contract and assigned counsel systems, and compensation for these attorneys shall:</p>	Reserved

¹⁷ [Washington State Court Rules: Rules of Professional Conduct.](#)

<ul style="list-style-type: none"> • Reflect time and labor required for effective and quality representation; • Reasonable compensation shall be provided whether the work is full-time or part-time¹⁸ and reasonable compensation rates shall be set at least on a pro rata basis consistent with the attorney's percentage of a full caseload (see Standard 3); and • Contracts and government budgets shall recognize the need to provide reasonable compensation for all public defense attorneys, including but not limited to, those attorneys who are "on call," staff court calendars, or staff specialty or therapeutic courts. <p><i>1.C. Flat Fee/Per Case:</i> Attorneys shall not engage in flat fee or per case compensation contracts or agreements (to avoid conflict).</p> <p><i>1.D. Additional Compensation:</i> Contracts and policies shall provide for additional compensation over and above the base contract amount(s) for cases that require an extraordinary amount of time and preparation (consistent with RCW 10.101.060(1)(a)(iv)).¹⁹</p> <p><i>1.E. Substitute Attorney Costs:</i> Attorneys who have a conflict of interest shall not be required to bear the cost of the new, substituted attorney.</p>	
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PROPOSED ORDINANCE: Would adopt the WSBA Standard in full.²⁰

IMPACT: While sections A, C, D, and E align with the current practices of the Department of Public Defense (DPD), Section B would have a fiscal impact. In recent years, the rate of compensation to assigned counsel has been lower than market rate, such that it has been difficult to find assigned counsel willing to accept cases. In 2026, in anticipation of coming into compliance with this standard, DPD increased the rate of compensation for assigned counsel, using an increase in state funding. Sustaining this increased rate in the future would have a fiscal impact.

STANDARD 2: DUTIES AND RESPONSIBILITIES OF COUNSEL

WSBA Standard	Court Rule Standard**
<p>Counsel shall be provided in all situations in which the right to counsel attaches, including first appearances, bail decisions, plea negotiations.</p> <p>Representation shall be prompt and delivered in a professional, skilled manner consistent with minimum standards set forth by these WSBA Standards, the Washington Supreme Court's Court Rule Standards (CrR 3.1, CrRLJ 3.1, JuCR 9.2, and CCR 2.1), the American Bar Association, the Washington Rules of Professional Conduct, case law and relevant court rules</p>	<p>Counsel shall be provided in all situations in which the right to counsel attaches.</p>

¹⁸ WSBA Standards define "Reasonable Compensation" as market rate for similar legal and expert services and includes attorney wages, salary, benefits, contract payments or hourly rate payments, as well as the cost of office overhead, support staff or services, training, supervision, and other services not separately funded.

¹⁹ Situations that require additional compensation include, but are not limited to: days spent in trial, if no per diem is paid; testimonial motion hearings; interpreter cases; cases involving mental health competency and other issues (RCW 10.77); cases with extensive discovery; cases that involve a significant number of counts, alleged victims, or witnesses; cases requiring consultation with experts, including, for example, immigration legal analysis and advice or DNA testing and analysis.

²⁰ Per the proposed ordinance, if a WSBA Standard is adopted and it references other WSBA Standards, those referenced WSBA Standard are not adopted unless explicitly stated in the ordinance.

and orders defining the duties of counsel.

Applicable WSBA or ABA Performance Guidelines should serve as guidance for attorney performance. The most fundamental responsibility of jurisdictions and public defense attorneys is to promote and protect the stated interests of public defense clients.

PROPOSED ORDINANCE: Would adopt the Court Rule Standard.

IMPACT: No substantive impact. According to DPD, this standard aligns with their current practices.

STANDARD 3: CASE LOAD LIMITS AND TYPES OF CASES

WSBA Standard	Court Rule Standard**
<ul style="list-style-type: none"> • An attorney’s ability to accept a new case must include assessment of the impact of new case on their existing open caseload. • Each criminal case is assigned a “case credit,” and public defenders will be limited to a number of case credits per year. Full-time attorneys will be limited to the following for any 12-month period, implemented in phases: <ul style="list-style-type: none"> • Phase I. Beginning on July 2, 2025: <ul style="list-style-type: none"> ○ 110 felony case credits ○ 280 misdemeanor case credits • Phase II. Beginning July 2, 2026: <ul style="list-style-type: none"> ○ 90 felony case credits ○ 225 misdemeanor cases • Phase III: Beginning July 2, 2027: <ul style="list-style-type: none"> ○ 47 felony case credits ○ 120 misdemeanor case credits. 	<p>Largely mirrors WSBA Standard; however, in the Court Rule Standard:</p> <ul style="list-style-type: none"> • Case weighting is permitted and encouraged but not required. • Longer implementation timeline permitted, with full implementation required by January 2036. • Additionally: "Caseload standards must be accomplished as soon as reasonably possible, however, can be done in a phased approach with an annual reduction of a least 10% the difference between the current standard and the new standard".

PROPOSED ORDINANCE: Would adopt the Court Rule Standard.

IMPACT: Both the WSBA and Court Rule Standards would significantly reduce case load limits, which would improve the quality of public defense services the county is able to provide, and ease the quality-of-life concerns of public defense attorneys who currently bear high caseloads. As caseloads decrease, short of a significant systemic decrease in cases, the number of defense attorneys will need to increase to comply with the standard. The Court Rule Standard, which the proposed ordinance would adopt, would provide a longer timeframe to reach the final caseload limits, requiring full compliance by 2036 with annual reductions of at least 10%. Fiscal analysis is ongoing.

STANDARD 4: RESPONSIBILITY OF EXPERT WITNESS FEES AND OTHER COSTS ASSOCIATED WITH REPRESENTATION

WSBA Standard**	Court Rule Standard
<p>4.A. Expert Witnesses. Jurisdictions shall provide reasonable compensation for expert witnesses necessary for preparation and presentation of a case. 21,22</p> <p>4.B. Mitigation Specialists and Social Workers.</p> <ul style="list-style-type: none"> • Shall be made readily available to public defense attorneys to provide support (release plans, treatment services, housing, health care and to develop dispositional and sentencing alternatives). • By July 3, 2028, a minimum of one full-time mitigation specialist or social worker shall be provided for every three full-time attorneys (with meaningful progress towards this ratio made prior). Public defense agencies that do not employ a sufficient number of mitigation specialists or social workers to meet this ratio shall enter contracts to provide the same resource level.²³ • By July 3, 2028, a minimum of one full-time family defense social worker or family defense social service worker shall be provided for every one full-time attorney representing parents in family defense proceedings, on a pro rata basis according to the size of the contract (with meaningful progress made prior). Adequate social work support services shall be made available to meet case/support needs of children/youth in family defense cases. • Public defense attorneys under contract or in assigned counsel systems should have access to mitigation specialists and social workers consistent with 4.A. <p>4.C. Mental Health Evaluations. Each public defense agency or attorney shall have access to mental health professionals to perform evaluations.</p> <p>4.D. Interpreters/Translators. All individuals providing public defense services (attorneys, investigators, experts, support staff, etc.) shall have access to translators and qualified interpreters to facilitate communication with Deaf and hearing-impaired individuals, and persons with limited English proficiency.</p> <p>4.E. Cost of Expert Services. Attorneys shall not be required to bear the costs of expert services (consistent with RPC 1.8(m)(1)(ii)).</p>	<p>Reserved</p>

²¹ Reasonable Compensation – Market rate for similar legal and expert services. Reasonable compensation includes attorney wages, salary, benefits, contract payments or hourly rate payments, as well as the cost of office overhead, support staff or services, training, supervision, and other services not separately funded.

²² Additionally, expert witness costs should be maintained and allocated from funds separate from those provided for attorney legal representation. Jurisdictions shall adopt and publish procedures to confidentially receive, review, and grant requests for expert witness services. In jurisdictions where attorneys are required to request approval for expert witnesses or other necessary services from the court, such motions shall be ex parte and include a motion to seal. The public defense attorney should be free to retain the expert of their choosing and shall not be required to select experts from a list pre-approved by either the jurisdiction, the court, or the prosecution.

²³ Temporary reductions in agency staff because of illness, disability, or reasonable delay in filling vacancies do not constitute failure to comply with this standard.

PROPOSED ORDINANCE: Would adopt a portion of WSBA Standard (4.A., the first paragraph of 4.B., 4.C., 4.D., and 4.E.)

IMPACT: Adoption of the components of this standard included in the proposed ordinance align with current DPD practices and would have no substantive impact. The previous version of the WSBA Standards did not include recommendations for ratios of mitigation specialists and social workers, so historically, the county has not specifically budgeted for them. However, DPD has recognized the need for such work and has reallocated resources within DPD’s appropriation authority to fund mitigation specialists and social workers. By not adopting standard 4.B. in full, the intent of the proposed ordinance is to allow the number and ratio of mitigation specialists and social workers to be determined through budget appropriations and DPD management decisions.

STANDARD 5: ADMINISTRATIVE EXPENSES

WSBA Standard	Court Rule Standard**
<p>5.A. Jurisdictions shall provide funding for administrative costs associated with legal representation (such as travel, telephones, and law library).²⁴ Providing for these costs is necessary for all public defense structures, including agency, contract, and assigned counsel systems.</p> <p>5.B. All public defense attorneys shall have access to an office that accommodates confidential meetings with clients and receipt of mail, and adequate telephone and electronic services to ensure prompt response to client contact. Public defense attorneys and clients must have prompt and consistent access to interpreter services.</p>	<p>5.1 Reserved</p> <p>5.2.A. Contracts for public defense services should provide for or include administrative costs associated with providing legal representation (such as travel, telephones, and law library).²⁵</p> <p>5.2.B. Appointed attorneys shall have access to an office that accommodates confidential meetings with clients and receipt of mail, and adequate telephone and electronic services to ensure prompt response to client contact. Appointed counsel and clients shall have prompt and consistent access to interpreter services to facilitate communication between counsel and client.</p>

PROPOSED ORDINANCE: Would adopt the Court Rule Standard (no substantive difference between the two standards).

IMPACT: According to DPD, this standard aligns with their current practices. As Standard 3 is implemented, however, short of a significant systemic decrease in cases, the increased number of attorneys may result in additional travel, information technology, and capital costs associated with complying with this standard.

²⁴ These costs include, but are not limited to, travel, telephones, law library, including electronic legal research, electronic document filing, financial accounting, case management systems, legal system databases and programs, computers and software, equipment, office space and supplies, internet services, training, and other costs necessarily incurred for public defense representation and necessary to comply with the requirements imposed by these standards.

²⁵ These costs include the same costs listed in the WSBA Standard (see previous footnote).

STANDARD 6: INVESTIGATORS²⁶

WSBA Standard	Court Rule Standard**
<p><i>6.A. Access to Investigation Services.</i> Public defense representation must include access to investigation services (necessary for representing clients for purposes of verifying facts, identifying and questioning witnesses, and testing the evidence presented by the opposing party).</p> <p><i>6.B. Investigation for Public Defense Agencies.</i> By July 3, 2028, a minimum of one full-time investigator shall be employed for every three full-time trial court level (adult and/or juvenile) attorneys (with meaningful progress made prior). Public defense agencies that do not employ a sufficient number of investigators to meet this ratio shall enter contracts to provide the stated resource level.²⁷</p> <p><i>6.C. Investigation for Contract and Assigned Counsel.</i> Public defense attorneys under contracts or assigned counsel systems must have the same level of access to investigators as described in 6.B.²⁸</p> <p><i>6.D. Investigation for Pro Se Litigants.</i> All jurisdictions should make conflict-free investigation services available to indigent defendants or respondents who are representing themselves in all cases in which the court has approved waiver of their right to court-appointed counsel.</p> <p><i>6.E. Cost of Investigation Services.</i> Attorneys shall not be required to bear the costs of investigation services (consistent with Washington Rule of Professional Conduct 1.8(m)(1)(ii)).</p>	<p>Public defense attorneys shall use investigation services as appropriate.</p>

PROPOSED ORDINANCE: Would adopt the Court Rule Standard.

IMPACT: No substantive impact. According to DPD, this standard aligns with their current practices.

STANDARD 7: SUPPORT SERVICES

WSBA Standard**	Court Rule Standard
<p><i>7.A. Support Services Necessary for Legal Defense.</i> In addition to the necessary resources described in Standards 4, 5, and 6, public defense attorneys shall have adequate legal and administrative support. Legal and administrative support services include, but are not limited to, administrative assistants, legal assistants, paralegals, human resources, finance, reception services, and IT and data management administrators. These professionals are essential for effective legal defense and an operational law office.</p>	<p>Reserved</p>

²⁶ RCW 10.101.030 does not explicitly include investigators in the 16 elements required to be in a county's adopted standards.

²⁷ Temporary reductions in agency staff because of illness, disability, or reasonable delay in filling vacancies do not constitute failure to comply with this standard. Attorneys representing clients in post-adjudication phases may require different investigation resources.

²⁸ Additionally, jurisdictions shall adopt and publish confidential procedures to receive, review, and grant requests for investigation services. In jurisdictions where attorneys are required to request court approval for investigative services, such motions shall be ex parte, consistent with the requirements of Washington Rule of Professional Conduct 1.8(m)(1)(ii) and court rules.

<p>Jurisdictions shall ensure all public defense attorneys have access to needed support services as provided in this Standard and as required by Washington Rule of Professional Conduct 1.4 to ensure attorney/client communication.</p> <p><i>7.B. Providing for Support Services in Contract and Assigned Counsel Compensation.</i> The support services described in 7.A. are required for all public defense attorneys, regardless of their employment, contract or assigned counsel status. Contract and assigned counsel attorneys shall receive compensation at levels that ensure these non-attorney support services are provided.</p> <p><i>7.C. Necessary Legal Assistants/Paralegals Ratio.</i> By July 3, 2028, a minimum of one full-time legal assistant or paralegal shall be employed for every four full-time attorneys (with meaningful progress made prior). Public defense agencies that do not employ a sufficient number of legal assistants or paralegals to meet this ratio should enter into contracts with qualified professionals to provide the same resource level or request authorization of such services ex parte or administratively.²⁹</p>	
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PROPOSED ORDINANCE: Would adopt a portion of WSBA Standard (7.A. and 7.B.)

IMPACT: According to DPD, 7.A and 7.B. align with their current practices. The legal assistant and paralegal ratios contained in 7.C. align with the appropriation authority provided to DPD, however, as discussed in impacts of Standard 4, resources for mitigation specialists and social workers have not historically been appropriated, and DPD has had to shift resources to fund those. As with Standard 4, intent of the proposed ordinance is to allow the number and ratio of legal assistants and paralegals to be determined through budget appropriations and DPD management decisions.

STANDARD 8: REPORTS OF ATTORNEY ACTIVITY AND VOUCHERS

WSBA Standard	Court Rule Standard**
<p>Jurisdictions and family defense contracting agencies shall require all public defense attorneys to use a case-reporting and management information system that includes the number and types of assigned cases, attorney hours, and case dispositions.</p> <p>Data from these systems should be routinely reported to public defense administrators in a manner in which confidential, secret, and otherwise non-public information are not disclosed.</p> <p>Consistent with Standard 11, public defense administrators should review these reports on a regular basis to monitor compliance with these Standards. For attorneys under contract, payment</p>	<p>Jurisdictions should adopt a reliable means for accurate reporting of caseloads. In addition, all appointed defense attorneys should use a case-reporting and management information system that includes the number and types of assigned cases, attorney hours, and case dispositions.</p> <p>Data from these systems should be routinely reported to public defense administrators in a manner that shields confidential, secret, and otherwise nonpublic information from disclosure.</p> <p>Consistent with Standard 11 of the WSBA Standards for Indigent Defense Services, public defense administrators and the Office of Public Defense should review these reports on a regular basis to monitor compliance with these standards. Certification forms shall be filed by every appointed attorney in each trial court case</p>

²⁹ Temporary reductions in agency staff because of illness, disability, or reasonable delay in filling vacancies do not constitute failure to comply with this standard. Attorneys representing clients in post-adjudication phases may require different resources.

should be made monthly, or at times agreed to by the parties, without regard to the number of cases closed in the period.	file in criminal and juvenile offender cases, and civil commitment proceedings under chapter 71.05 RCW.
PROPOSED ORDINANCE: Would adopt the Court Rule Standard (no substantive difference between the two standards).	
IMPACT: No substantive impact. According to DPD, this standard aligns with their current practices.	
STANDARD 9: TRAINING	
WSBA Standard**	Court Rule Standard
<p><i>9.A. Annual Training.</i> All public defense attorneys shall participate in regular training, including a minimum of seven hours of continuing legal education annually in areas relating to their public defense practice. Training should include relevant topics including training specific to certain case types as required in Standard 14, the types of cases assigned (for example, criminal, dependency, appellate), racial and ethnic disparities, elimination of bias, mental illnesses, improved and effective communication with clients, forensic sciences, and other topics that impact legal representation. Every public defense attorney should attend training that fosters trial or appellate advocacy skills and review professional publications and other media.</p> <p><i>9.B. Onboarding and Training of New and Current Attorneys.</i> Public defense agencies and contracted private law firms should develop their own practices and procedures to onboard and train new attorneys. Offices should develop written materials (e.g. manuals, checklists, hyperlinked resources) to inform new attorneys of local rules and procedures of the courts in their jurisdiction. In offices of more than seven attorneys, an orientation and training program for new attorneys and legal interns should be held to inform them of office procedures and policies. All attorneys should be required to attend regular in-house training programs on developments in their legal representation areas.</p> <p><i>9.C Continuing Education for Public Defense Non-Attorneys.</i> Funding for training for all public defense non-attorneys must be provided. A fully supported public defense attorney is one whose staff and expert service providers receive educational opportunities and up-to-date trainings to ensure they can meet their profession’s best practices.³⁰</p>	Reserved
PROPOSED ORDINANCE: Would adopt the WSBA Standard in full.	
IMPACT: According to DPD, this standard aligns with their current practices. As Standard 3 is implemented, however, short of a significant systemic decrease in cases, the increased number of attorneys may result in additional training costs.	

³⁰ This may include attendance at national conferences and regular access to online trainings, such as those offered by the Washington State Office of Public Defense, Washington Defender Association, the National Association for Public Defense, the National Legal Aid and Defender Association, the National Alliance of Sentencing Advocates and Mitigation Specialists, the National Defense Investigator Association, the National Federation of Paralegal Associations, and the National Association for Legal Support Professionals.

STANDARD 10: SUPERVISION	
WSBA Standard**	Court Rule Standard
<p><i>10.A. General Provisions.</i></p> <ul style="list-style-type: none"> • Requires a minimum of one full-time supervisor for every ten full-time public defense attorneys (or one half-time supervisor for every five attorneys). • Full-time supervisors should not carry caseloads, but supervisors may act as cocounsel in a limited number of cases to provide mentoring and training experience for their supervisees. Part-time supervisors should limit their caseloads on a pro-rata basis. • Supervisors should have training in personnel management and supervision. Supervisors should be qualified under Standard 14 for the practice area(s) they are supervising. <p><i>10.B. Supervision for Family Defense Representation</i></p> <ul style="list-style-type: none"> • Where a contracted provider is contracted for more than 1.0 FTE, they shall designate one full-time supervising attorney for every ten full-time family defense attorneys. Part-time supervising attorneys should limit their caseload on a pro-rata basis. • Supervisors may act as co-counsel in a limited number of cases to provide mentoring and training experience for their supervisees. • Supervisors for family defense cases must meet the criteria as set forth in Standard 14.C.4.a. • Where a contracted provider is contracted for one FTE or less, the Office of Public Defense or the Office of Civil Legal Aid shall make available programs to support co-counsel opportunities, mentoring programs, or training experiences, as set forth in Standard 14. 	Reserved
PROPOSED ORDINANCE: Would adopt the WSBA Standard in full.	
<p>IMPACT: According to DPD, they exceed this standard with regard to supervisory ratios due to the structure of divisions and provisions in labor agreements. The proposed ordinance includes a statement of fact that, “This ordinance adopts the county’s public defense services standards. It is the expectation of the council that the provision of public defense services will be further subject to collective bargaining agreements with employees in the department of public defense and appropriations.”</p> <p>As Standard 3 is implemented, however, short of a significant systemic decrease in cases, the increased number of attorneys may result in additional supervisory costs.</p>	
STANDARD 11: MONITORING AND EVALUATION OF ATTORNEYS	
WSBA Standard**	Court Rule Standard
<p>All jurisdictions shall provide a mechanism for systematic monitoring of public defense attorneys and their caseloads and ensure timely review and evaluation of public defense services.</p> <p>Monitoring and evaluation should include, but not be limited to, review of reports submitted per Standard 8, review of time and caseload assignments, in-court observations, periodic conferences, verification</p>	Reserved

<p>of attorney compliance with Standard 9 training requirements, verification of compliance with Certifications of Compliance with the Supreme Court’s Court Rule Standards, and management of client complaints, consistent with Standard 15.</p> <p>Attorneys should be evaluated on their skill and effectiveness as advocates, including their communication with clients.</p>	
<p>PROPOSED ORDINANCE: Would adopt the WSBA Standard in full.</p>	
<p>IMPACT: No substantive impact. According to DPD, this standard aligns with their current practices.</p>	
<p>STANDARD 12: SUBSTITUTION OF ATTORNEYS OR ASSIGNMENT OF CONTRACTS</p>	
<p>WSBA Standard**</p>	<p>Court Rule Standard</p>
<p><i>12.A. Availability at No Cost to Attorney.</i> Consistent with Standard 1.E, alternate or conflict public defense attorneys shall be available for substitution in conflict situations at no cost to the attorney declaring the conflict.</p> <p><i>12.B. Subcontracting.</i> Public defense contracts and assigned counsel policies should prohibit counsel from subcontracting with another firm or attorney to provide representation, absent approval of the public defense administrator.</p> <p><i>12.C. Attorney Names.</i> In contract and assigned counsel systems, the public defense administrator should receive the names and experience levels of those attorneys who will be and actually are providing the legal representation, to ensure the attorneys meet the minimum qualifications required by Standard 14.</p> <p><i>12.D. Continuing Representation and Client Files.</i> Public defense contracts and assigned counsel policies shall address the procedures for continuing representation of clients upon the conclusion of the contract or case assignment. Public defense contracts and assigned counsel policies shall include which attorney or firm or public defense office is responsible for maintaining client files confidentially when a contract terminates or case assignment ends.</p>	<p>Reserved</p>
<p>PROPOSED ORDINANCE: Would adopt the WSBA Standard in full.</p>	
<p>IMPACT: No substantive impact. According to DPD, this standard aligns with their current practices.</p>	

STANDARD 13: LIMITATIONS ON PRIVATE PRACTICE OF CONTRACT ATTORNEYS

WSBA Standard	Court Rule Standard**
<p>Private attorneys who provide public defense representation shall set limits on the amount of privately retained work which can be accepted. These limits shall be based on the percentage of a full-time caseload which the public defense cases represent.</p>	<p>Private attorneys who provide public defense representation shall set limits on the amount of privately retained work which can be accepted. These limits shall be based on the percentage of a full-time caseload which the public defense cases represent.</p>

PROPOSED ORDINANCE: Would adopt the Court Rule Standard, which is identical to WSBA Standard.

IMPACT: No substantive impact. According to DPD, this standard aligns with their current practices.

STANDARD 14: QUALIFICATIONS OF ATTORNEYS

WSBA Standard	Court Rule Standard**
<p>This standard is comprehensive with numerous details. Headings include:</p> <p>14.A. Minimum Qualifications for All Public Defense Attorneys</p> <p>14.B. Additional Information Regarding Qualifications Overall</p> <p>14.C. Attorneys' Qualifications by Category/Type of Case and Representation Type (Trial or Appellate)</p> <ol style="list-style-type: none"> 1. Overview of Adult Criminal and Juvenile Court Cases – Trial Level 2. Adult Criminal Trial Court Cases 3. Juvenile Trial Court Cases 4. Civil Cases – Trial Court Cases 5. Appellate Cases 6. Legal Interns 	<p>Prior to accepting a case, appointed attorneys shall review and certify that they meet the applicable qualifications outlined in Standard 14 of the WSBA Standards for Indigent Defense Services.</p> <p>The appointed attorney shall file the Certification of Compliance Form in each trial court case file in criminal and juvenile offender cases, and civil commitment proceedings under chapter 71.05 RCW.</p>

PROPOSED ORDINANCE: Would adopt the Court Rule Standard, which refers to the WSBA Standard.

IMPACT: No substantive impact. According to DPD, this standard aligns with their current practices.

STANDARD 15: DISPOSITION OF CLIENT COMPLAINTS

WSBA Standard	Court Rule Standard**
<p>15.A. Jurisdictions that administer public defense services shall provide a process for receiving, investigating, and promptly responding to client complaints. Complaints should first be directed to the assigned attorney, firm, or agency that is providing or provided representation.</p> <p>15.B. Public defense agencies and contractors with multi-attorney private firms shall include investigation and disposition of client complaints in their supervisory services.</p> <p>15.C. The complaining client should be informed as to the disposition of their complaint in a timely manner</p>	<p>15.1. Jurisdictions that administer public defense services should provide a process for receiving, investigating, and promptly responding to client complaints. Complaints should first be directed to the assigned attorney, firm, or agency that is providing or provided representation.</p> <p>15.2. Public defense agencies and contractors with multi-attorney private firms should include investigation and disposition of client complaints in their supervisory services.</p> <p>15.3. The complaining client should be informed about the disposition of their complaint in a timely manner.</p>

PROPOSED ORDINANCE: Would adopt the Court Rule Standard, which is identical to the WSBA Standard.

IMPACT: No substantive impact. According to DPD, this standard aligns with their current practices.

STANDARD 16: CAUSE FOR TERMINATION OF CONTRACT OR REMOVAL OF ATTORNEY

WSBA Standard**	Court Rule Standard
<p>Contracts for public defense services shall include the grounds for termination of the contract by the parties.</p> <p>Termination of a public defense attorney’s or private firm’s contract unilaterally by the jurisdiction should only be for good cause which shall include, but not be limited to, the failure of a contract attorney or firm to provide effective or quality representation to clients; the willful disregard of the rights and best interests of the client; and the willful disregard of these WSBA Standards or the Court Rule Standards.</p> <p>Removal by the court of an appointed attorney from representation normally should not occur over the objection of the attorney and the client.</p>	<p>Reserved</p>

PROPOSED ORDINANCE: Would adopt the WSBA Standard in full.

IMPACT: No substantive impact. According to DPD, this standard aligns with their current practices.

STANDARD 17: NONDISCRIMINATION

WSBA Standard	Court Rule Standard**
<p>Public defense contracts and assigned counsel policies shall include language prohibiting discrimination by the jurisdiction, contractor, contractor’s attorneys, or assigned counsel on the grounds of race, ethnicity, religion, national origin, language, age, marital status, gender identity, sexual orientation, or disability.</p> <p>The public defense administrator and all public defense attorneys and support staff shall comply with all federal, state, and local non-discrimination requirements.</p>	<p>Public defense services and appointed lawyers shall comply with all laws prohibiting discrimination on the grounds of race, ethnicity, religion, national origin, language, age, marital status, gender identity, sexual orientation, or disability.</p>

PROPOSED ORDINANCE: Would adopt the Court Rule Standard. The protected classes listed are the same in both the WSBA Standard and the Court Rule Standard.

IMPACT: No substantive impact. According to DPD, this standard aligns with their current practices.

STANDARD 18: GUIDELINES FOR AWARDING DEFENSE CONTRACTS

WSBA Standard	Court Rule Standard**
<p>Recruitment for public defense contracts and assigned counsel lists should include efforts to achieve a diverse public defense workforce.</p> <p>Attorneys or firms applying for contracts or placement on assigned counsel lists must demonstrate their ability to meet these [WSBA] Standards and the Supreme Court Standards for Indigent Defense. Their contracts must comply with Washington Rule of Professional Conduct 1.8(m).</p> <p>Under no circumstances should a contract be awarded on the basis of cost alone. Judges, judicial staff, city attorneys, county prosecutors, and law enforcement officers shall not select the attorneys who will be included in a contract or an assigned counsel list.</p>	<p>Judges, judicial staff, city attorneys, county prosecutors, and law enforcement offices shall not select the attorneys who will be included in a contract or an assigned counsel list. See GR 42.</p>

PROPOSED ORDINANCE: Would adopt the Court Rule Standard.

IMPACT: No substantive impact. According to DPD, this standard aligns with their current practices.

STANDARD 19: INDEPENDENCE AND OVERSIGHT OF PUBLIC DEFENSE SERVICES

WSBA Standard	Court Rule Standard
<p>Public defense providers should not be restrained from independently advocating for the resources and reforms necessary to provide defense related services for all clients.</p> <p>Judges and judicial staff shall not manage and oversee public</p>	<p>No standard</p>

defense offices, public defense contracts, or assigned counsel lists nor shall they select public defense administrators or the attorneys who provide public defense services.

Attorneys with public defense experience insulated from judicial and political influence should manage and oversee public defense services.³¹

Those responsible for managing and overseeing public defense services shall apply these [WSBA] Standards, the Supreme Court Standards for Indigent Defense, and the WSBA Performance Guidelines in their management and oversight duties.

PROPOSED ORDINANCE: Would not address this standard. This is not one of the 16 elements required by state statute to be included in a county's adopted standards; however, the issue of independence is already touched on in the King County Charter Section 350.20.60.

The American Bar Association Ten Principles of a Defense Delivery System. The American Bar Association (ABA) House of Delegates adopted the original Ten Principles of a Public Defense Delivery System in February 2002 with the intent to provide policymakers, public defense administrators, and others with a roadmap for providing effective indigent defense as required by the Sixth Amendment.^{32,33}

In 2018, the ABA's Standing Committee on Legal Aid and Indigent Defense (SCLAID) formed the Ten Principles Revision Committee, comprised of public defense leaders, academics, and other experts. Their work resulted in the revised Ten Principles, which were eventually adopted by the ABA House of Delegates in August 2023.³⁴ All the principles have been revised to provide more detail and clarity. Some of the 2002 principles were consolidated to make room for additional principles, but all topics addressed in the 2002 version are addressed in the 2023 version.

Proposed ordinance 2026-0040 would update the county code to refer to the 2023 version and the Ten Principles.

As noted in the ABA's materials, the following changes are particularly notable:

³¹ The terms "manage" and "oversee" include: drafting, awarding, renewing, and terminating public defense contracts; adding attorneys or removing them from assigned counsel lists; developing case weighting policies; monitoring attorney caseload limits and case-level qualifications; monitoring quality; monitoring compliance with contracts, policies, procedures, and standards; and recommending compensation.

³² [Report to the ABA House of Delegates \(August 2023\)](#)

³³ [ABA Ten Principles of a Public Defense Delivery System \(February 2002\)](#)

³⁴ [ABA Ten Principles of a Public Defense Delivery System \(August 2023\)](#)

- *A new principle (Principle 4) was added to reflect the importance of data collection and transparency to ensure public defense systems are receiving adequate resources and are following these Principles.*
- *The principle on training and supervision (Principle 7) reflects a deeper understanding of the need for systematic evaluation of defense lawyers, as well as the need for specialized training and cultural competency.*
- *A new principle (Principle 9) was added to reflect the importance of nonlawyer professionals, such as investigators, social workers, and experts, to the public defense function.*
- *The principle on public defense workloads (Principle 3) has been substantially revised to reflect the new information gleaned from the National Public Defense Workload Standards study and SCLAID's several state-based studies. Language has also been added on the duties of defenders who face unmanageable workloads.*
- *A new principle (Principle 10) was added to reinforce the important place public defense providers have in the legal system, especially in relation to any law or policy changes that are likely to affect their clients.³⁵*

Attachment 2 to this staff report provides a full comparison of the 2002 and 2023 versions of the Ten Principles.

INVITED

- Matthew Sanders, Director, Department of Public Defense
- Matthew Pang, Deputy Director, Department of Public Defense

ATTACHMENTS

1. Proposed Ordinance 2026-0040
2. Comparison of the 2002 and 2023 versions of the ABA's Ten Principles of a Public Defense Delivery System

³⁵ [Report to the ABA House of Delegates \(August 2023\)](#)



Signature Report

Ordinance

Proposed No. 2026-0051.2

Sponsors Perry

1 AN ORDINANCE concurring with the recommendation of
2 the hearing examiner to approve, subject to conditions, the
3 application for public benefit rating system assessed
4 valuation for open space submitted by Bradford Smith and
5 Joshua Finto for property located at 15550 115th Avenue
6 SW, Vashon, WA 98070, WA, designated department of
7 natural resources and parks, water and land resources
8 division file no. E25CT010.

9 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

10 SECTION 1. This ordinance does hereby adopt and incorporate herein as its
11 findings and conclusions the findings and conclusions contained in Attachment A to this
12 ordinance, the report and recommendation of the hearing examiner dated April 28, 2026,
13 to approve subject to conditions, the application for public benefit rating system assessed
14 valuation for open space submitted by Bradford Smith and Joshua Finto for property
15 located at 15550 115th Avenue SW, Vashon, WA 98070, WA, designated department of
16 natural resources and parks, water and land resources division file no. E25CT010. The

- 17 council does hereby adopt as its action the recommendation or recommendations
18 contained in the examiner's report.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

Attachments: A. Hearing Examiner Report dated April 28, 2026

April 28, 2026

**OFFICE OF THE HEARING EXAMINER
KING COUNTY, WASHINGTON**
Telephone (206) 477-0860
hearingexaminer@kingcounty.gov
www.kingcounty.gov/independent/hearing-examiner

**REPORT AND RECOMMENDATION TO THE KING
COUNTY COUNCIL FOR CURRENT USE
ASSESSMENT APPLICATION**

SUBJECT: Department of Natural Resources and Parks file no. **E25CT010**
Proposed ordinance no. **2026-0051**
Parcel no. **192303-9020**

BRADFORD SMITH AND JOSHUA FINTO

Application for Current Use Assessment under the Public Benefit Rating System

Location: 15550 115th Avenue SW, Vashon, WA 98070

Applicants: **Bradford Smith and Joshua Finto**
15550 115th Avenue SW
Vashon, WA 98070
Telephone: (512) 657-8303
Email: smithbc.tx@gmail.com

King County: Department of Natural Resources and Parks
represented by **Bill Bernstein**
201 S. Jackson Street Suite 5601
Seattle, WA 98104
Telephone: (206) 477-4643
Email: bill.bernstein@kingcounty.gov

SUMMARY OF RECOMMENDATIONS:

Department's Recommendation: Approve 7.55 acres for 80% reduction in appraised value.

Examiner's Recommendation: Approve 7.55 acres for 80% reduction in appraised value.

PROCEDURAL BACKGROUND:

Per Ch. 20.36 KCC, the Department of Natural Resources and Parks (DNRP) transmitted the subject application along with its Report for Property Enrollment in the Public Benefit Rating System (PBRS) File No. E25CT010, to the Examiner.

The Examiner conducted a remote public hearing on the application on April 23, 2026. Bill Bernstein, representing DNRP, presented the application and DNRP’s recommendation. Applicants Bradford Smith and Joshua Finto did not participate.

FINDINGS AND CONCLUSIONS:

1. Except as modified herein, the facts set forth in DNRP’s staff report and testimony at the April 23, 2026, public hearing are correct and incorporated here by reference. We will provide copies of this report and DNRP’s staff report to the King County Council for final action.
2. The property at issue is at 15550 115th Avenue SW Vashon, WA 98070, Parcel No. 192303-9020, owned by the Applicants Bradford Smith and Joshua Finto.
3. The Applicants timely filed an application with King County for current use assessment of the above identified property under the PBRS to begin in 2026.
4. Timely and proper legal notice of the public hearing on the application was provided.
5. A list of the PBRS Open Space Resource categories identified by DNRP as relevant to the property are provided below. Categories that DNRP determined were eligible (or eligible with contingencies) for credit are assigned the applicable number of points.

PBRS categories:	Aquifer protection area	5
	Forest stewardship land	0*
	Rural open space	5
	Significant wildlife or fish habitat	5
	Surface water quality buffer	5
	Watershed protection area	5
	Total points awarded	25

The DNRP-recommended score of 25 points results in an 80% reduction in the appraised value of the enrolled portion of the property. Each category where points are recommended is discussed below.

6. **Aquifer protection area – 5 points.** The entire property is located in an area designated as a critical aquifer recharge area (CARA 3). The natively forested area is greater than one acre in size and meets the minimum required acreage for this category.

7. **Rural open space – 5 points.** To be eligible for this category, a property must be located in the rural area and enroll at least five acres of native vegetation. This rural property contains more than seven acres of contiguous forested open space.
8. **Significant wildlife or salmonid habitat – 5 points.** A staff site visit established that the property contains foraging and nesting habitat for the pileated woodpecker, and the landowner has made visual observations of pileated woodpeckers actively utilizing the property. The pileated woodpecker is identified in King County’s Comprehensive Plan as a Species of Local Importance (E-328(e)). Award of this category is consistent with habitat as defined by KCC 20.36.100.B.15.a(1).
9. **Surface water quality buffer – 5-10 points.** In order to be eligible for this category, the participating land must provide a buffer greater than 1.5 times that required (or 300 feet) for five points to be awarded, provide a buffer greater than two times that required (or 400 feet) for eight points to be awarded, or provide a buffer greater than three times that required (or 600 feet) for ten points to be awarded. This property has a portion of a Type N or O stream in the center of the property east of the residence. As required by county code (KCC 21A.24.358.B), the buffer width required for Type N waters is 100 feet. The owner is providing a qualifying buffer of native vegetation to the south of this stream that averages 180 feet in width, which is more than 1.5 times the buffer required. Credit for this category is therefore recommended at the five-point award level.
10. **Watershed protection area – 5 points.** To be eligible for this category, the enrolling forested area must consist of additional forest cover beyond that required by county or applicable local government regulation and must be at least one acre or sixty-five percent of the property acreage, whichever is greater. The enrolling open space contains 7.55 acres of native forest cover which is more than 65% of the total property acreage and there are no additional forest retention regulations in place for this property.
11. **Contingencies, Conditions, and Requirements.**
 - A. An additional 5 points may be awarded administratively for the “forest stewardship land” category. Qualification for this category is contingent on approval of a forest stewardship plan on or before December 31, 2026.
 - B. Award of credit under this category will increase the point total by 5 points, with no change to the current use valuation.
 - C. The Examiner incorporates all conditions and requirements identified in the PBRS Staff Report. Ex. 1.
12. **Enrollment Acreage.** The Applicants requested 5.40 acres and DNRP recommends 7.55 acres of the subject property be enrolled in the PBRS program. (Enrollment acreage is the entire parcel less the excluded area, as calculated by DNRP. In the event the County Assessor’s official parcel size is revised, the PBRS acreage shall be administratively adjusted to reflect that change.)

13. Approval of 25 points and an 80% reduction in the assessed value for 7.55 acres, and conditional approval of 5 additional points with the timely submission and approval of a forest stewardship plan, is consistent with Ch. 20.36 KCC and with the purposes and intent of King County to maintain, preserve, conserve, and otherwise continue in existence adequate open space lands and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of King County and its citizens.

RECOMMENDATION:

1. APPROVE credit for the enumerated open space categories, on 7.55 acres of parcel 192303-9020, for an 80% reduction in the appraised value of the enrolled portion of the property. Approval should be subject to any conditions and requirements listed herein or incorporated from the DNRP staff report.
2. CONDITIONALLY APPROVE additional credit for the “forest stewardship land” category, subject to approval of a forest stewardship plan by December 31, 2026. Award of credit under this category will increase the point total by 5 points, with no change to the current use valuation.

DATED April 28, 2026.



Devon Shannon
Hearing Examiner

NOTICE OF RIGHT TO APPEAL

A party may appeal an Examiner report and recommendation by following the steps described in KCC 20.22.230. By **4:30 p.m.** on **May 22, 2026**, an electronic appeal statement must be sent to Clerk.Council@kingcounty.gov, to hearingexaminer@kingcounty.gov, and to the party email addresses on the front page of this report and recommendation. Please consult KCC 20.22.230 for the exact filing requirements.

If a party fails to timely file an appeal, the Council does not have jurisdiction to consider that appeal. Conversely, if the appeal requirements of KCC 20.22.230 are met, the Examiner will notify parties and interested persons and will provide information about next steps in the appeal process.

**MINUTES OF THE APRIL 23, 2026, HEARING ON THE APPLICATION OF
BRADFORD SMITH AND JOSHUA FINTO, FILE NO. E25CT010**

Devon Shannon was the Hearing Examiner in this matter. A verbatim recording of the hearing is available in the Hearing Examiner's Office.

The following exhibits were offered by DNRP and entered into the record:

- | | |
|---------------|---|
| Exhibit no. 1 | DNRP staff report |
| Exhibit no. 2 | <i>Reserved for future submission of the affidavit of bearing publication</i> |
| Exhibit no. 3 | Legal notice and introductory ordinance to the King County Council |
| Exhibit no. 4 | Arcview/orthophotograph and aerial map |
| Exhibit no. 5 | Application signed and notarized |



Signature Report

Ordinance

Proposed No. 2026-0052.2

Sponsors Perry

1 AN ORDINANCE concurring with the recommendation of
2 the hearing examiner to approve, subject to conditions, the
3 application for public benefit rating system assessed
4 valuation for open space submitted by Janice and Cody
5 Hodge and Theresa Styka for property located at 46728 SE
6 161st Street, North Bend, WA 98045, WA, designated
7 department of natural resources and parks, water and land
8 resources division file no. E25CT013.

9 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

10 SECTION 1. This ordinance does hereby adopt and incorporate herein as its
11 findings and conclusions the findings and conclusions contained in Attachment A to this
12 ordinance, the report and recommendation of the hearing examiner dated April 28, 2026,
13 to approve subject to conditions, the application for public benefit rating system assessed
14 valuation for open space submitted by Janice and Cody Hodge and Theresa Styka for
15 property located at 46728 SE 161st Street, North Bend, WA 98045, WA, designated
16 department of natural resources and parks, water and land resources division file no.

- 17 E25CT013. The council does hereby adopt as its action the recommendation or
18 recommendations contained in the examiner's report.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

Attachments: A. Hearing Examiner Report dated April 28, 2026

April 28, 2026

**OFFICE OF THE HEARING EXAMINER
KING COUNTY, WASHINGTON**
Telephone (206) 477-0860
hearingexaminer@kingcounty.gov
www.kingcounty.gov/independent/hearing-examiner

**REPORT AND RECOMMENDATION TO THE KING
COUNTY COUNCIL FOR CURRENT USE
ASSESSMENT APPLICATION**

SUBJECT: Department of Natural Resources and Parks file no. **E25CT013**
Proposed ordinance no. **2026-0052**
Parcel no. **252308-9042**

JANICE AND CODY HODGE AND THERESA STYKA
Application for Current Use Assessment under the Public Benefit Rating System

Location: 46728 SE 161st Street, North Bend, WA 98045

Applicants: **Janice and Cody Hodge and Theresa Styka**
46728 SE 161st Street
North Bend, WA 98045
Telephone: (425) 736-1592
Email: janicehodge@comcast.net

King County: Department of Natural Resources and Parks
represented by **Megan Kim**
201 S. Jackson Street Suite 5601
Seattle, WA 98104
Telephone: (206) 477-4788
Email: megan.kim@kingcounty.gov

SUMMARY OF RECOMMENDATIONS:

Department's Recommendation: Approve 4.01 acres for 50% reduction in appraised value
Examiner's Recommendation: Approve 4.01 acres for 50% reduction in appraised value

PROCEDURAL BACKGROUND:

Per Ch. 20.36 KCC, the Department of Natural Resources and Parks (DNRP) transmitted the subject application along with its Report for Property Enrollment in the Public Benefit Rating System (PBRS) File No. E25CT013, to the Examiner.

The Examiner conducted a remote public hearing on the application on April 23, 2026. Megan Kim, representing DNRP, presented the application and DNRP’s recommendation. Applicants Janice and Cody Hodge and Theresa Styka did not participate.

FINDINGS AND CONCLUSIONS:

1. Except as modified herein, the facts set forth in DNRP’s staff report and testimony at the April 23, 2026, public hearing are correct and incorporated here by reference. We will provide copies of this report and DNRP’s staff report to the King County Council for final action.
2. The property at issue is at 46728 SE 161st Street, North Bend, WA 98045, Parcel No. 252308-9042, owned by the Applicants Janice and Cody Hodge and Theresa Styka.
3. The Applicants timely filed an application with King County for current use assessment of the above identified property under the PBRS to begin in 2026.
4. Timely and proper legal notice of the public hearing on the application was provided.
5. A list of the PBRS Open Space Resource categories identified by DNRP as relevant to the property are provided below. Categories that DNRP determined were eligible (or eligible with contingencies) for credit are assigned the applicable number of points.

PBRS categories:	Forest stewardship land	5*
	Total points awarded	5

The DNRP-recommended score of 5 points results in a 50% reduction in the appraised value of the enrolled portion of the property. Each category where points are recommended is discussed below.

6. **Forest stewardship land – 5 points.** To be eligible for this category, the property must contain at least four acres of contiguous forestland which is met by the parcel at issue here. For the property to qualify for this category and enroll in PBRS, a forest stewardship plan must be implemented. The owners will work with King County foresters to develop a forest stewardship plan. Credit for this category is recommended dependent upon the plan being provided by November 1, 2026, and approved by the Department on or before December 31.

7. **Contingencies, Conditions, and Requirements.**

- A. Because the property is not eligible for any other PBRS resource category, failure to qualify as forest stewardship land will preclude the property from enrolling in PBRS.
- B. The Examiner incorporates all conditions and requirements identified in the PBRS Staff Report. Ex. 1.

8. **Enrollment Acreage.** DNRP recommends that, subject to the above conditions, 4.01 acres of the subject property be enrolled in the PBRS program. Ex. D2. (Enrollment acreage is the entire parcel less the excluded area, as calculated by DNRP. In the event the County Assessor's official parcel size is revised, the PBRS acreage shall be administratively adjusted to reflect that change.)

9. Conditional approval of 5 points and a current use valuation of 50% of assessed value for 4.01 acres is consistent with Ch. 20.36 KCC and with the purposes and intent of King County to maintain, preserve, conserve, and otherwise continue in existence adequate open space lands and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of King County and its citizens.

RECOMMENDATION:

CONDITIONALLY APPROVE credit for the "forest stewardship land" category, on 4.01 acres on parcel 252308-9042, for a current use valuation of 50% of assessed value for the enrolled portion of the property. Administrative approval should be subject to any conditions and requirements listed herein or incorporated from the DNRP staff report.

DATED April 28, 2026.



Devon Shannon
Hearing Examiner

NOTICE OF RIGHT TO APPEAL

A party may appeal an Examiner report and recommendation by following the steps described in KCC 20.22.230. By **4:30 p.m.** on *May 22, 2026*, an electronic appeal statement must be sent to Clerk.Council@kingcounty.gov, to hearingexaminer@kingcounty.gov, and to the party email addresses on the front page of this report and recommendation. Please consult KCC 20.22.230 for the exact filing requirements.

If a party fails to timely file an appeal, the Council does not have jurisdiction to consider that appeal. Conversely, if the appeal requirements of KCC 20.22.230 are met, the Examiner will notify parties and interested persons and will provide information about next steps in the appeal process.

MINUTES OF THE APRIL 23, 2026, HEARING ON THE APPLICATION OF JANICE AND CODY HODGE AND THERESA STYKA, FILE NO. E25CT013

Devon Shannon was the Hearing Examiner in this matter. A verbatim recording of the hearing is available in the Hearing Examiner's Office.

The following exhibits were offered by DNRP and entered into the record:

Exhibit no. 1	DNRP staff report
Exhibit no. 2	<i>Reserved for future submission of the affidavit of hearing publication</i>
Exhibit no. 3	Legal notice and introductory ordinance to the King County Council
Exhibit no. 4	Arcview/orthophotograph and aerial map
Exhibit no. 5	Application signed and notarized



Signature Report

Ordinance

Proposed No. 2026-0053.2

Sponsors Perry

1 AN ORDINANCE concurring with the recommendation of
2 the hearing examiner to approve, subject to conditions, the
3 application for public benefit rating system assessed
4 valuation for open space submitted by Richard Young for
5 property located at 16532 426th Way SE, North Bend, WA
6 98045, WA, designated department of natural resources
7 and parks, water and land resources division file no.
8 E25CT030.

9 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

10 SECTION 1. This ordinance does hereby adopt and incorporate herein as its
11 findings and conclusions the findings and conclusions contained in Attachment A to this
12 ordinance, the report and recommendation of the hearing examiner dated April 28, 2026,
13 to approve subject to conditions, the application for public benefit rating system assessed
14 valuation for open space submitted by Richard Young for property located at 16532
15 426th Way SE, North Bend, WA 98045, WA, designated department of natural resources
16 and parks, water and land resources division file no. E25CT030. The council does
17 hereby adopt as its action the recommendation or recommendations contained in the
18 examiner's report.

19

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

Attachments: A. Hearing Examiner Report dated April 28, 2026

April 28, 2026

**OFFICE OF THE HEARING EXAMINER
KING COUNTY, WASHINGTON**
Telephone (206) 477-0860
hearingexaminer@kingcounty.gov
www.kingcounty.gov/independent/hearing-examiner

**REPORT AND RECOMMENDATION TO THE KING
COUNTY COUNCIL FOR CURRENT USE
ASSESSMENT APPLICATION**

SUBJECT: Department of Natural Resources and Parks file no. **E25CT030**
Proposed ordinance no. **2026-0053**
Parcel no. **883580-0580**

RICHARD YOUNG

Application for Current Use Assessment under the Public Benefit Rating System

Location: 16532 426th Way SE, North Bend, WA 98045

Applicant: **Richard C. Young**
530 Merritt Ave. NE
North Bend, WA 98052
Telephone: (206) 933-7792
Email: dick.c.young@comcast.net

King County: Department of Natural Resources and Parks
represented by **Megan Kim**
201 S. Jackson Street Suite 5601
Seattle, WA 98104
Telephone: (206) 477-4788
Email: megan.kim@kingcounty.gov

SUMMARY OF RECOMMENDATIONS:

Department's Recommendation: Approve 4.32 acres for 60% reduction in appraised value.

Examiner's Recommendation: Approve 4.32 acres for 60% reduction in appraised value.

PROCEDURAL BACKGROUND:

Per Ch. 20.36 KCC, the Department of Natural Resources and Parks (DNRP) transmitted the subject application along with its Report for Property Enrollment in the Public Benefit Rating System (PBRs) File No. E25CT030, to the Examiner.

The Examiner conducted a remote public hearing on the application on April 23, 2026. Megan Kim, representing DNRP, presented the application and DNRP’s recommendation. Applicant Richard C. Young attended but did not participate.

FINDINGS AND CONCLUSIONS:

1. Except as modified herein, the facts set forth in DNRP’s staff report and testimony at the April 23, 2026, public hearing are correct and incorporated here by reference. We will provide copies of this report and DNRP’s staff report to the King County Council for final action.
2. The property at issue is 16532 426th Way SE, North Bend, WA 98045, Parcel No. 883580-0580, owned by the Applicant Richard C. Young.
3. The Applicant timely filed an application with King County for current use assessment of the above identified property under the PBRs to begin in 2026.
4. Timely and proper legal notice of the public hearing on the application was provided.
5. A list of the PBRs Open Space Resource categories identified by DNRP as relevant to the property are provided below. Categories that DNRP determined were eligible (or eligible with contingencies) for credit are assigned the applicable number of points.

PBRs categories:	Aquifer protection area	5
	Forest stewardship land	*
	Rural open space	*
	Significant wildlife or fish habitat	5
	Watershed protection area	5
	Total points awarded	15

The DNRP-recommended score of 15 points results in a 60% reduction in the appraised value of the enrolled portion of the property. Each category where points are recommended is discussed below.

6. **Aquifer protection area – 5 points.** The entire property is located in an area designated as a critical aquifer recharge area (CARA 3). The natively forested area is greater than one acre in size and meets the minimum required acreage for this category.
7. **Significant wildlife or salmonid habitat – 5 points.** A staff site visit established that the property contains habitat for the *Strix occidentalis* or common name Northern spotted owl, which is identified by Department of Fish and Wildlife as ‘endangered’ and federally

recognized as ‘threatened’. Program staff determined areas of the forest on the property are of sufficient age and diversity to support the species’ regular use of the property. Award of this category is consistent with habitat as defined by KCC 20.36.100.B.15.a(1).

8. **Watershed protection area – 5 points.** To be eligible for this category, the enrolling forested area must consist of additional forest cover beyond that required by county or applicable local government regulation and must be at least one acre or sixty-five percent of the property acreage, whichever is greater. The enrolling open space contains more than four acres of native forest cover which is more than 65% of the total property acreage and is more forest cover than required by county regulation for this property.
9. **Contingencies, Conditions, and Requirements.**
 - A. An additional 10 points may be awarded administratively for the “forest stewardship land” and “rural open space” categories.
 - B. **Forest stewardship land – 5 points.** To be eligible for this category, the property must contain at least four acres of contiguous forestland. This property contains slightly more than four acres of contiguous forest and the owner is interested in developing a forest stewardship plan to improve the health and diversity of the property. If a forest stewardship plan is provided by November 1, 2026, and approved by the department on or before December 31, 2026, then credit for this category should be awarded administratively.
 - C. **Rural open space – 5 points.** To be eligible for this category, a property must be located in a rural area and be enrolling at least five acres of native vegetation. Under current conditions the rural property contains only 4.32 acres of natively vegetated contiguous open space. However, if the property owner qualifies for the forest stewardship plan, they will simultaneously exceed the 5-acre requirement for this category. If a forest stewardship plan addressing the needed restoration of the 0.71 acres outlined in green is provided by October 1, 2026, and approved by December 31, 2026, the enrolling acreage would increase to 5.03 acres and credit for this category could be awarded administratively.
 - D. Award of credit under these categories will add 10 points, resulting in an 80% reduction in the appraised value of 5.03 acres of property.
 - E. The Examiner incorporates all conditions and requirements identified in the PBRS Staff Report. Ex. 1.
10. **Enrollment Acreage.** The Applicant requested 5.0 acres and DNRP recommends 4.32 acres of the subject property be enrolled in the PBRS program. (Enrollment acreage is the entire parcel less the excluded area, as calculated by DNRP. In the event the County Assessor’s official parcel size is revised, the PBRS acreage shall be administratively adjusted to reflect that change.)
11. Approval of 15 points and a current use valuation of 40% of assessed value for 4.32 acres, and conditional approval of 10 additional points and 20% of assessed value on

5.03 acres, is consistent with Ch. 20.36 KCC and with the purposes and intent of King County to maintain, preserve, conserve, and otherwise continue in existence adequate open space lands and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of King County and its citizens.

RECOMMENDATION:

1. APPROVE credit for the "aquifer protection area," "significant wildlife or fish habitat" and "watershed protection area" categories (15 points), on 4.32 acres on parcel 883580-0580, for a current use valuation of 40% of assessed value for the enrolled portion of the property. Approval should be subject to any conditions and requirements listed herein or incorporated from the DNRP staff report.
2. CONDITIONALLY APPROVE additional credit for the forest stewardship and rural open space categories, if a forest stewardship plan is provided by November 1, 2026, and approved by the department on or before December 31, 2026. Award of credit under these categories will increase the total points awarded to 25 points, resulting in a current use valuation of 20% of assessed value for the enrolled portion of the property. Administrative approval should be subject to any conditions and requirements listed herein or incorporated from the DNRP staff report.

DATED April 28, 2026.



Devon Shannon
Hearing Examiner

NOTICE OF RIGHT TO APPEAL

A party may appeal an Examiner report and recommendation by following the steps described in KCC 20.22.230. By **4:30 p.m.** on **May 22, 2026**, an electronic appeal statement must be sent to Clerk.Council@kingcounty.gov, to hearingexaminer@kingcounty.gov, and to the party email addresses on the front page of this report and recommendation. Please consult KCC 20.22.230 for the exact filing requirements.

If a party fails to timely file an appeal, the Council does not have jurisdiction to consider that appeal. Conversely, if the appeal requirements of KCC 20.22.230 are met, the Examiner will notify parties and interested persons and will provide information about next steps in the appeal process.

**MINUTES OF THE APRIL 23, 2026, HEARING ON THE APPLICATION OF
RICHARD YOUNG, FILE NO. E25CT030**

Devon Shannon was the Hearing Examiner in this matter. A verbatim recording of the hearing is available in the Hearing Examiner's Office.

The following exhibits were offered by DNRP and entered into the record:

- | | |
|---------------|---|
| Exhibit no. 1 | DNRP staff report |
| Exhibit no. 2 | <i>Reserved for future submission of the affidavit of bearing publication</i> |
| Exhibit no. 3 | Legal notice and introductory ordinance to the King County Council |
| Exhibit no. 4 | Arcview/orthophotograph and aerial map |
| Exhibit no. 5 | Application signed and notarized |



Signature Report

Ordinance

Proposed No. 2026-0054.2

Sponsors Perry

1 AN ORDINANCE concurring with the recommendation of
2 the hearing examiner to approve, subject to conditions, the
3 application for public benefit rating system assessed
4 valuation for open space submitted by Scott and Michelle
5 Harvey for property located at 12216 SW Cove Road,
6 Vashon, WA 98070, WA, designated department of natural
7 resources and parks, water and land resources division file
8 no. E25CT011.

9 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

10 SECTION 1. This ordinance does hereby adopt and incorporate herein as its
11 findings and conclusions the findings and conclusions contained in Attachment A to this
12 ordinance, the report and recommendation of the hearing examiner dated April 28, 2026,
13 to approve subject to conditions, the application for public benefit rating system assessed
14 valuation for open space submitted by Scott and Michelle Harvey for property located at
15 12216 SW Cove Road, Vashon, WA 98070, WA, designated department of natural
16 resources and parks, water and land resources division file no. E25CT011. The council

17 does hereby adopt as its action the recommendation or recommendations contained in the
18 examiner's report.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

Attachments: A. Hearing Examiner Report date April 28, 2026

April 28, 2026

**OFFICE OF THE HEARING EXAMINER
KING COUNTY, WASHINGTON**
Telephone (206) 477-0860
hearingexaminer@kingcounty.gov
www.kingcounty.gov/independent/hearing-examiner

**REPORT AND RECOMMENDATION TO THE KING
COUNTY COUNCIL FOR CURRENT USE
ASSESSMENT APPLICATION**

SUBJECT: Department of Natural Resources and Parks file no. **E25CT011**
Proposed ordinance no. **2026-0054**
Parcel no. **252302-9007**

SCOTT AND MICHELLE HARVEY

Application for Current Use Assessment under the Public Benefit Rating System

Location: 12216 SW Cove Road, Vashon, WA 98070

Applicants: **Scott and Michelle Harvey**
12216 SW Cove Road
Vashon, WA 98070
Telephone: (206) 463-6986
Email: sdharvey50@comcast.net

King County: Department of Natural Resources and Parks
represented by **Bill Bernstein**
201 S. Jackson Street Suite 5601
Seattle, WA 98104
Telephone: (206) 477-4643
Email: bill.bernstein@kingcounty.gov

SUMMARY OF RECOMMENDATIONS:

Department's Recommendation: Approve 7.05 acres for 70% reduction in appraised value.

Examiner's Recommendation: Approve 7.05 acres for 70% reduction in appraised value.

PROCEDURAL BACKGROUND:

Per Ch. 20.36 KCC, the Department of Natural Resources and Parks (DNRP) transmitted the subject application along with its Report for Property Enrollment in the Public Benefit Rating System (PBRS) File No. E25CT011, to the Examiner.

The Examiner conducted a remote public hearing on the application on April 23, 2026. Bill Bernstein, representing DNRP, presented the application and DNRP’s recommendation. Applicants Scott and Michelle Harvey did not participate.

FINDINGS AND CONCLUSIONS:

1. Except as modified herein, the facts set forth in DNRP’s staff report and testimony at the April 23, 2026, public hearing are correct and incorporated here by reference. We will provide copies of this report and DNRP’s staff report to the King County Council for final action.
2. The property at issue is at 12216 SW Cove Road, Vashon, WA 98070, Parcel No. 252302-9007, owned by the Applicants Scott and Michelle Harvey.
3. The Applicants timely filed an application with King County for current use assessment of the above identified property under the PBRS to begin in 2026.
4. Timely and proper legal notice of the public hearing on the application was provided.
5. The property is currently enrolled in the Designated Forestland program (RCW 84.33). The purpose of this application is to reclassify the property and enroll it in PBRS as they no longer intend to manage the property for commercial timber purposes.
6. A list of the PBRS Open Space Resource categories identified by DNRP as relevant to the property are provided below. Categories that DNRP determined were eligible (or eligible with contingencies) for credit are assigned the applicable number of points.

PBRS categories:	Aquifer protection area	5
	Forest stewardship land *	*
	Rural open space	5
	Significant wildlife or fish habitat	5
	Watershed protection area	5
	Total points awarded	20

The DNRP-recommended score of 20 points results in a 70% reduction in the appraised value of the enrolled portion of the property. Each category where points are recommended is discussed below.

7. **Aquifer protection area – 5 points.** The entire property is in an area designated as a critical aquifer recharge area (CARA 3). The natively forested area is greater than one acre in size and meets the minimum required acreage for this category.
8. **Rural open space – 5 points.** To be eligible for this category, a property must be in the rural area and enroll at least five acres of native vegetation in the program. This property contains more than seven acres of contiguous forested open space, which is more than the category’s required five acre minimum.
9. **Significant wildlife or salmonid habitat – 5 points.** A staff site visit established that the property contains habitat for numerous wildlife species, including foraging and nesting habitat for the pileated woodpecker, which is identified in King County’s Comprehensive Plan as a Species of Local Importance (E-328(e)). Award of this category is consistent with habitat as defined by KCC 20.36.100.B.15.a(1).
10. **Watershed protection area – 5 points.** To be eligible for this category, the enrolling forested area must consist of additional forest cover beyond that required by county or applicable local government regulation and must be at least one acre or sixty-five percent of the property acreage, whichever is greater. The enrolling open space contains 7.05 acres of native forest cover which is more than 65% of the total property acreage and there are no additional forest retention regulations in place for this property.
11. **Contingencies, Conditions, and Requirements.**
 - A. An additional 5 points may be awarded administratively for the “forest stewardship land” category. To be eligible for this category, the property must contain at least four acres of contiguous forestland, which is met on this parcel.
 - B. Qualification for this category is contingent on submittal and approval of a “forest stewardship plan.” The owners do have a forest stewardship plan, but it needs to be updated. If their plan is updated and approved by the department on or before December 31, 2026, then credit for this category should be awarded administratively.
 - C. If this category's conditions are met, the property would qualify for 25 total points, which results in qualifying the enrolled property for taxation at 20% of market value.
 - D. The Examiner incorporates all conditions and requirements identified in the PBRS Staff Report. Ex. 1.
12. **Enrollment Acreage.** The Applicants requested 6.87 acres and DNRP recommends 7.05 acres of the subject property be enrolled in the PBRS program. (Enrollment acreage is the entire parcel less the excluded area, as calculated by DNRP. In the event the County Assessor’s official parcel size is revised, the PBRS acreage shall be administratively adjusted to reflect that change.)

13. Approval of 20 points and a current use valuation of 30% of assessed value for 7.05 acres, and conditional approval of 10 additional points and 20% of assessed value for 7.05 acres, is consistent with Ch. 20.36 KCC and with the purposes and intent of King County to maintain, preserve, conserve, and otherwise continue in existence adequate open space lands and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of King County and its citizens.

RECOMMENDATION:

1. APPROVE credit for the "aquifer protection area," "rural open space," "significant wildlife habitat," and "watershed protection area" categories on 7.05 acres on parcel 252302-9007 for a current use valuation of 30% of assessed value for the enrolled portion of the property. Approval should be subject to any conditions and requirements listed herein or incorporated from the DNRP staff report.
2. CONDITIONALLY APPROVE additional credit for the "forest stewardship land" category, subject to submittal of and approval of an updated forest stewardship plan by December 31, 2026. Award of credit under this category will increase the point total by 10 points, resulting in a current use valuation of 20% of assessed value for the enrolled portion of the property.

DATED April 28, 2026.



Devon Shannon
Hearing Examiner

NOTICE OF RIGHT TO APPEAL

A party may appeal an Examiner report and recommendation by following the steps described in KCC 20.22.230. By **4:30 p.m.** on **May 22, 2026**, an electronic appeal statement must be sent to Clerk.Council@kingcounty.gov, to hearingexaminer@kingcounty.gov, and to the party email addresses on the front page of this report and recommendation. Please consult KCC 20.22.230 for the exact filing requirements.

If a party fails to timely file an appeal, the Council does not have jurisdiction to consider that appeal. Conversely, if the appeal requirements of KCC 20.22.230 are met, the Examiner will notify parties and interested persons and will provide information about next steps in the appeal process.

**MINUTES OF THE APRIL 23, 2026, HEARING ON THE APPLICATION OF
SCOTT AND MICHELLE HARVEY, FILE NO. E25CT011**

Devon Shannon was the Hearing Examiner in this matter. A verbatim recording of the hearing is available in the Hearing Examiner's Office.

The following exhibits were offered by DNRP and entered into the record:

Exhibit no. 1	DNRP staff report
Exhibit no. 2	<i>Reserved for future submission of the affidavit of bearing publication</i>
Exhibit no. 3	Legal notice and introductory ordinance to the King County Council
Exhibit no. 4	Arcview/orthophotograph and aerial map
Exhibit no. 5	Application signed and notarized



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Ordinance

Proposed No. 2026-0055.2

Sponsors Perry

1 AN ORDINANCE concurring with the recommendation of
2 the hearing examiner to approve, subject to conditions, the
3 application for public benefit rating system assessed
4 valuation for open space submitted by Penelope Clay for
5 property located at 22747 Wax Orchard Road SW, Vashon,
6 WA 98070, WA, designated department of natural
7 resources and parks, water and land resources division file
8 no. E25CT014.

9 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

10 SECTION 1. This ordinance does hereby adopt and incorporate herein as its
11 findings and conclusions the findings and conclusions contained in Attachment A to this
12 ordinance, the report and recommendation of the hearing examiner dated April 28, 2026,
13 to approve subject to conditions, the application for public benefit rating system assessed
14 valuation for open space submitted by Penelope Clay for property located at 22747 Wax
15 Orchard Road SW, Vashon, WA 98070, WA, designated department of natural resources
16 and parks, water and land resources division file no. E25CT014. The council does

17 hereby adopt as its action the recommendation or recommendations contained in the
18 examiner's report.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

Attachments: A. Hearing Examiner Report dated April 28, 2026

April 28, 2026

**OFFICE OF THE HEARING EXAMINER
KING COUNTY, WASHINGTON**
Telephone (206) 477-0860
hearingexaminer@kingcounty.gov
www.kingcounty.gov/independent/hearing-examiner

**REPORT AND RECOMMENDATION TO THE KING
COUNTY COUNCIL FOR CURRENT USE
ASSESSMENT APPLICATION**

SUBJECT: Department of Natural Resources and Parks file no. **E25CT014**
Proposed ordinance no. **2026-0055**
Parcel nos. **142202-9010, 142202-9012, and 142202-9136**

PENELOPE CLAY

Application for Current Use Assessment under the Public Benefit Rating System

Location: 22747 Wax Orchard Road SW, Vashon, WA 98070

Applicant: **Penelope Clay**
PO Box 13149
Burton, WA 98013
Telephone: (206) 463-9232
Email: clayland@aol.com

King County: Department of Natural Resources and Parks
represented by **Bill Bernstein**
201 S. Jackson Street Suite 5601
Seattle, WA 98104
Telephone: (206) 477-4643
Email: bill.bernstein@kingcounty.gov

SUMMARY OF RECOMMENDATIONS:

Department's Recommendation: Approve 23.05 acres for 80% reduction in appraised value.

Examiner's Recommendation: Approve 23.05 acres for 80% reduction in appraised value.

PROCEDURAL BACKGROUND:

Per Ch. 20.36 KCC, the Department of Natural Resources and Parks (DNRP) transmitted the subject application along with its Report for Property Enrollment in the Public Benefit Rating System (PBRS) File No. E25CT014, to the Examiner.

The Examiner conducted a remote public hearing on the application on April 23, 2026. Bill Bernstein, representing DNRP, presented the application and DNRP’s recommendation. Applicant Penelope Clay did not participate.

FINDINGS AND CONCLUSIONS:

1. Except as modified herein, the facts set forth in DNRP’s staff report and testimony at the April 23, 2026, public hearing are correct and incorporated here by reference. We will provide copies of this report and DNRP’s staff report to the King County Council for final action.
2. The property at issue is at 22747 Wax Orchard Road SW, Vashon, WA 98070, Parcel Nos. 142202-9010, 142202-9012, and 142202-9136, owned by the Applicant Penelope Clay.
3. The Applicant timely filed an application with King County for current use assessment of the above identified property under the PBRS to begin in 2026.
4. Timely and proper legal notice of the public hearing on the application was provided.
5. Parcels 142202-9010 and 142202-9012 are currently enrolled in the Designated Forestland program (RCW 84.33). The landowner has applied to PBRS as she no longer intends to manage the property for commercial timber purposes. The owner also would like to enroll portions of parcel 142202-9136 in PBRS.
6. A list of the PBRS Open Space Resource categories identified by DNRP as relevant to the property are provided below. Categories that DNRP determined were eligible (or eligible with contingencies) for credit are assigned the applicable number of points.

PBRS categories:	Aquifer protection area	5
	Buffer to public or current use classified land	3
	Forest stewardship land	*
	Significant wildlife or fish habitat	5
	Rural open space	5
	Surface water quality buffer	10
	Watershed protection area	5
	Total points awarded	33

The DNRP-recommended score of 33 points results in an 80% reduction in the appraised value of the enrolled portion of the property. Each category where points are recommended is discussed below.

7. **Aquifer protection area – 5 points.** The entire property is in an area designated as a critical aquifer recharge area (CARA 3). The natively forested area is greater than one acre in size and meets the minimum required acreage for this category.
8. **Buffer to public or current use classified land – 3 points.** The property is abutting land participating in the PBRs program to the west (parcels 142202-9090 and 142202-9091). The enrolling open space area is providing a buffer of native vegetation of more than fifty feet to this adjacent land, which exceeds the category's requirement.
9. **Rural open space – 5 points.** The property is in the rural area and contains more than 23 acres of contiguous forested open space, which is more than the category's required five acre minimum.
10. **Significant wildlife habitat – 5 points.** The property contains foraging and nesting habitat for the pileated woodpecker, which is identified in King County's Comprehensive Plan as a Species of Local Importance (E-328(e)). Upon conducting a site visit, program staff determined areas of the forest on the property are of sufficient age and diversity to support the species regular use of the property and the landowner has made visual observations of pileated woodpeckers actively utilizing the property. Award of this category is consistent with habitat as defined by KCC 20.36.100, section B.15.a(1).
11. **Surface water quality buffer – 10 points.** The property contains a tributary to Christensen Creek (likely Type N), originating in a ravine on parcel -9012 and running west into the main creek on parcel -9010. As required by county code (KCC 21A.24.358.B), the buffer width required for Type N waters is 100 feet. In order to be eligible for this category, the participating land must provide a buffer greater than 1.5 times that required (or 150 feet) for five points to be awarded, provide a buffer greater than two times that required (or 200 feet) for eight points to be awarded, or provide a buffer greater than three times that required (or 300 feet) for ten points to be awarded. The owner is providing a qualifying buffer of native vegetation to the north of this stream that averages 340 feet in width, which is more than three times the buffer required. Credit for this category is therefore recommended at the ten-point award level.
12. **Watershed protection area – 5 points.** To be eligible for this category, the enrolling forested area must consist of additional forest cover beyond that required by county or applicable local government regulation and must be at least one acre or sixty-five percent of the property acreage, whichever is greater. The enrolling open space contains 23.05 acres of native forest cover which is more than 65% of the total property acreage and there are no additional forest retention regulations in place for this property.
13. **Contingencies, Conditions, and Requirements.**

- A. An additional 5 points may be awarded administratively for the “forest stewardship land” category. The property contains more than 23 acres of contiguous forest. The owner does have a forest stewardship plan, but it needs to be updated. At this time, credit for this category cannot be recommended because the plan has not yet been updated and approved by county forestry staff. However, if this plan is approved by the department on or before December 31, 2026, then credit for this category should be awarded administratively.
 - B. Award of credit under this category will increase the point total by 5 points, resulting in 38 points total and a 90% reduction in assessed property value for the enrolled area.
 - C. The Examiner incorporates all conditions and requirements identified in the PBRS Staff Report. Ex. 1.
14. **Enrollment Acreage.** There are three lots subject to this application, all owned by Ms. Clay. The Applicant requested 23 acres and DNRP recommends 23.05 acres of the subject property be enrolled in the PBRS program. (Enrollment acreage is the entire parcel less the excluded area, as calculated by DNRP. In the event the County Assessor’s official parcel size is revised, the PBRS acreage shall be administratively adjusted to reflect that change.)
15. Approval of 33 points and an 80% reduction in the of assessed value for 23.05 acres, and conditional approval of 5 additional points and a 90% reduction in the of assessed value, is consistent with Ch. 20.36 KCC and with the purposes and intent of King County to maintain, preserve, conserve, and otherwise continue in existence adequate open space lands and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of King County and its citizens.

RECOMMENDATION:

- 1. APPROVE credit for the CATEGORY, on 23.05 acres on parcels 142202-9010, 142202-9012, and 142202-9136, for an 80% reduction of assessed value for the enrolled portion of the property. Approval should be subject to any conditions and requirements listed herein or incorporated from the DNRP staff report.
- 2. CONDITIONALLY APPROVE additional credit for the “forest stewardship land” category, subject to submittal of forest management plan to be approved by the Department on or before December 31, 2026. Award of credit under this category will increase the point total by 5 points, resulting in 90% reduction of assessed value of the enrolled area portion of the property. Administrative approval should be subject to any conditions and requirements listed herein or incorporated from the DNRP staff report.

DATED April 28, 2026.



Devon Shannon
Hearing Examiner

NOTICE OF RIGHT TO APPEAL

A party may appeal an Examiner report and recommendation by following the steps described in KCC 20.22.230. By **4:30 p.m.** on **May 22, 2026**, an electronic appeal statement must be sent to Clerk.Council@kingcounty.gov, to hearingexaminer@kingcounty.gov, and to the party email addresses on the front page of this report and recommendation. Please consult KCC 20.22.230 for the exact filing requirements.

If a party fails to timely file an appeal, the Council does not have jurisdiction to consider that appeal. Conversely, if the appeal requirements of KCC 20.22.230 are met, the Examiner will notify parties and interested persons and will provide information about next steps in the appeal process.

MINUTES OF THE APRIL 23, 2026, HEARING ON THE APPLICATION OF PENELOPE CLAY, FILE NO. E25CT014

Devon Shannon was the Hearing Examiner in this matter. A verbatim recording of the hearing is available in the Hearing Examiner's Office.

The following exhibits were offered by DNRP and entered into the record:

- | | |
|---------------|---|
| Exhibit no. 1 | DNRP staff report |
| Exhibit no. 2 | <i>Reserved for future submission of the affidavit of hearing publication</i> |
| Exhibit no. 3 | Legal notice and introductory ordinance to the King County Council |
| Exhibit no. 4 | Arcview/orthophotograph and aerial map |
| Exhibit no. 5 | Application signed and notarized |



Signature Report

Motion

Proposed No. 2026-0068.1

Sponsors Barón

1 A MOTION acknowledging receipt of the first semiannual
2 report on the status of activities related to contract
3 management and compliance reporting protocols, as
4 required by Ordinance 20023, Section 60, Proviso P1.

5 WHEREAS, the 2026-2027 Biennial Budget Ordinance, Ordinance 20023,
6 Section 60, Proviso P1, requires the executive to transmit semiannual reports on the
7 status of activities required by Ordinance 19978 related to contract management and
8 compliance reporting protocols, and

9 WHEREAS, the proviso further requires the executive to submit motions that
10 acknowledge receipt of the reports, and

11 WHEREAS, the first semiannual report on the status of activities related to
12 contract management and compliance reporting protocols, which is Attachment A to this
13 motion, is submitted by the executive;

14 NOW, THEREFORE, BE IT MOVED by the Council of King County:

15 The receipt of the first semiannual report on the status of activities related to
16 contract management and compliance reporting protocols, which is Attachment A to this

Motion

17 motion, as required by Ordinance 20023, Section 60, Proviso P1, is hereby
18 acknowledged.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Hay, Clerk of the Council

Attachments: A. Report on the Status of Activities Related to Contract Management and Compliance Reporting Protocols

Report on the Status of Activities Related to Contract Management and Compliance Reporting Protocols

*Responding to Ordinance 20023, Section 60, Proviso P1
and Ordinance 19978, Section 5.A*

March 31, 2026



King County

Summary

DCHS is taking immediate action to strengthen its fiscal and compliance oversight as it advances implementation of the King County Auditor’s Office (KCAO) recommendations. Since the August 2025 KCAO report, the department has adopted nine new policies and procedures, launched contracted provider fiscal stewardship trainings, initiated interdepartmental coordination with Public Health – Seattle & King County (PHSKC), developed an anti-fraud training for employees, and engaged an external consultant to conduct a risk assessment, gap analysis, and provide recommendations for future improvements. As detailed for each recommendation in the body of this report, DCCHS is on track to complete KCAO recommendations within committed timeframes.

The actions summarized in this report are consistent with Executive Zahilay’s March 4, 2026 Executive Order.¹ The order is focused on Countywide efforts, but the planned department steps in the report support the objectives of the Order on governance and financial management practices. Notably for this report, the Order directed the County’s executive branch to increase accountability, transparency, and internal controls.

As identified in the October 2025 Service Provider Capacity and Fiscal Partnership Program Feasibility Analysis Report to the Council, a service provider capacity and fiscal partnership program as envisioned by Ordinance 19978 would only be feasible with new funding.² Because it was not funded in the 2026-2027 budget, the program has not been launched. DCCHS continues limited technical assistance and capacity building through Best Starts for Kids (BSK) and the Veterans, Seniors and Human Services Levy (VSHSL), as well as a time-limited pilot in the Developmental Disabilities and Early Childhood Supports Division.

DCCHS significantly increased its systematic tracking of contract compliance monitoring activities throughout 2025, in response to KCAO recommendations and Ordinance 19978. This report provides information about how the department is prioritizing these activities to respond to the KCAO report and Ordinance 19978 requirements given limited available resources. It also provides data from 2025 on the number of multiyear contract agencies, risk and readiness assessments, fiscal compliance monitoring visits, and program compliance monitoring visits.

DCCHS will assess the impact of updated processes and monitoring activities on providers through direct contractor feedback. The initial changes that will have an impact on contractors were implemented in March 2026. DCCHS expects to provide initial data on the effects of these changes on providers in the March 31, 2027 report.

DCCHS is prioritizing strengthening its overall infrastructure to ensure accountability and compliance, both internally and with contracted providers, while also implementing the KCAO recommendations swiftly. While many improvements can be made within existing resources, certain initiatives will require additional resources and capacity. DCCHS plans to work closely with the Executive’s Office on supplemental budget requests to advance this work.

Background

In January 2025, by Motion 16723, the King County Council adopted a work program for the King County Auditor's Office (KCAO) that included plans to conduct an audit of DCHS' management of juvenile diversion services.^{3,4} The KCAO responded by releasing a report in August 2025 that reviewed and made recommendations regarding DCHS' internal controls and compliance standards.⁵

DCHS is working to implement the recommendations included in the KCAO report by strengthening the department's internal policies and procedures, increasing staff capacity to achieve contract management and compliance monitoring standards, and training contracted providers on contract and invoicing requirements.⁶ DCHS is implementing these changes with the support of the Executive, the Finance and Business Operations Division (FBOD) of the Department of Executive Services, and an external consultant.

In September 2025, the Council adopted Ordinance 19978, requiring DCHS to undertake certain actions as part of its fiscal stewardship responsibilities.⁷ These actions include implementing the use of best practices in contract management and compliance monitoring, performing regular risk assessments of contract agencies, and instituting financial management training for department staff and contract agencies. The Ordinance also calls for DCHS to provide information to the Council about its response to several of the audit's recommendations, through a series of reports, letters, and briefings.⁸

The actions summarized in this report are consistent with Executive Zahilay's March 4, 2026 Executive Order.⁹ The order is focused on Countywide efforts, but the planned department steps in the report support the objectives of the Order on governance and financial management practices. Notably for this report, the Order directed the County's executive branch to increase accountability, transparency, and internal controls.

Report Requirements

This report responds to two related legislative requirements, from Ordinance 20023, Section 60, Proviso P1, and from Ordinance 19978, Section 5.A, both of which called for reporting to the Council due March 31, 2026.

Ordinance 20023, Section 60, Proviso P1, requires the Executive to provide a semiannual report, with the first report due March 31, 2026, describing the status of activities required by Ordinance 19978 related to contract management and monitoring protocols. Specifically, the Ordinance calls for:

- a summary of the activities initiated consequent to any recommendations from the King County auditor's office in the reporting period,
- a summary of the services provider capacity and fiscal partnership program activities supporting technical assistance and capacity building, and
- a summary of activities initiated consequent to the requirements defined by Ordinance 19978, including the financial management and best practices training requirements as described in Ordinance 19978, Section 1.A.2.d.

Report on the Status of Activities Related to Contract Management and Compliance Reporting Protocols

This report also responds to the requirement of Ordinance 19978, Section 5.A, for the Executive to report on the following by March 31 of each year, beginning in 2026:

- the percentage of its multiyear contract agencies that received an in-person site visit from the department during the prior calendar year,
- a status update on the department's contract management and compliance monitoring activities, and
- a summary of data for the prior calendar year regarding monitoring of contract agencies' time spent on contract compliance activities and evaluating the effectiveness and efficiency of contract processes and requirements.

Summary of Activities Initiated Consequent to Auditor's Recommendations and Ordinance 19978 Requirements including Financial Management and Best Practices Training

This section responds to:

- *Ordinance 20023, Section 60, Proviso P1, Part A;*
- *Ordinance 20023, Section 60, Proviso P1, Part C (See Recommendation 6); and*
- *Ordinance 19978, Section 5.A.1.b.*

As part of the established protocol with the KCAO for Executive responses to audits, on August 19, 2025, the King County Executive's Office provided the KCAO with an Executive Response that included a timeline for implementation of each KCAO recommendation, spanning from late 2025 through mid-2027. The timelines vary due to interconnectedness and phasing of the work, staffing capacity, overall complexity, and contract volume of the department. Notably, several improvement initiatives are already under way, including:

- the July 2025 implementation of DCHS' updated Contract Compliance Monitoring Policy and completion of associated staff trainings by all relevant staff;
- a risk assessment of the hybrid payment model; development of trainings for contracted providers regarding financial stewardship values and practices; and interdepartmental coordination with Public Health – Seattle & King County;¹⁰ and
- development of an anti-fraud training for all DCHS staff. This training will be launched on April 1, 2026, and staff will be required to complete it by December 31, 2026.

Table 1 below provides a summary of activities initiated for each of the ten KCAO report recommendations, updating information provided in Executive Braddock's November 2025 letter.¹¹

Table 1. Activities Initiated and Expected Timeline for KCAO Report Recommendations

KCAO Report Recommendation	Status	Activities Initiated and Expected Timeline
<p>Recommendation 1: “Develop, document, and implement a strategy to strengthen internal controls for financial management that includes, at a minimum, 1) a clear vision of how financial stewardship relates to program goals, and 2) the role of compliance, fiscal, and program staff in supporting fiscal stewardship.”</p>	<p><i>On Track</i></p>	<ul style="list-style-type: none"> • An external consultant completed a current state assessment and gap analysis on December 22, 2025. The consultants briefed DCHS senior leaders on January 12, 2026. The next day, DCHS held the first of three half-day work sessions to develop a vision to strengthen DCHS infrastructure, improve internal controls, and ensure accountability to fiscal and program goals. <ul style="list-style-type: none"> ○ DCHS is finalizing a document to reflect the vision and ensure integration of KCAO, Council, and consultant recommendations and requirements and identify milestones, timelines, and resources needed to achieve the vision. ○ DCHS has initiated a recruitment process for a new senior leader to lead activities to strengthen internal and external compliance and controls. ○ DCHS is developing job aids that create stronger role clarity for key positions within the department. It will further specify responsibilities for program managers, contract managers, and fiscal and compliance staff in supporting fiscal stewardship. ○ During the second quarter of 2026, DCHS intends to complete a plan with timelines for implementing additional improvements. • DCHS updated multiple policies and procedures related to financial management and compliance. • DCHS has developed a three-part financial stewardship training series for providers, covering contracting financial management, and fiscal compliance, that launched in March 2026. • KCAO Recommendation 1 will be fully implemented by June 30, 2027.

<p>Recommendation 2: “Work with Public Health – Seattle & King County to develop, document, and implement a plan to identify opportunities for efficiencies in the financial oversight of organizations funded by both departments.”</p>	<p><i>On Track</i></p>	<ul style="list-style-type: none"> • A cross-departmental DCHS and Public Health - Seattle & King County (PHSKC) workgroup began meeting in October 2025 to develop, document and implement a plan to identify opportunities for efficiencies. <ul style="list-style-type: none"> ○ The workgroup is currently mapping existing financial monitoring and risk assessment processes across both departments to identify financial efficiencies, including compliance and analysis functions such as site visits, risk assessments and budget monitoring of contract delivery. <ul style="list-style-type: none"> ○ The workgroup is developing additional metrics to track coordinated and leveraged monitoring visits, and will implement them by June 30, 2026. ○ Once the mapping is complete, the departments will develop shared standards and coordinated practices for financial monitoring, data collection, and risk assessments to reduce administrative burden on providers and improve oversight. ○ The workgroup has established a short-term goal of synchronizing upcoming Q1 and Q2 site visits and strategies, including documenting areas of common and different approaches and recommending solutions to achieve consistency. <ul style="list-style-type: none"> ○ The cross-departmental team has developed a tracking tool that has identified providers that have contracts that overlap both DCHS and PHSKC. This tool helps both agencies focus on which providers require synchronized site visits and risk assessment review and elevates any urgent issues that may exist in provider oversight. ○ The cross-departmental team has established monthly meetings to share a 60-day fiscal monitoring schedule. These meetings will allow the agencies to coordinate a more efficient fiscal monitoring plan for agencies with contracts in both departments. The monitoring visit may include shared information on document gathering and sampling of costs, which will result in a reduction in duplicative oversight requests of agencies. • As of the drafting of this report, DCHS is currently developing a documented joint implementation strategy, with completion planned for spring 2026.
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KCAO Report Recommendation	Status	Activities Initiated and Expected Timeline
		Following finalization of the report, identified changes will be phased in, with initial implementation anticipated by June 30, 2026.
<p>Recommendation 3: “Develop, document, and implement a plan to offer ongoing anti-fraud training for all staff. At a minimum, this training should include information on the impact of fraud, why people commit fraud, how to identify it, and how to report it.”</p>	<i>On Track</i>	<ul style="list-style-type: none"> • DCHS developed anti-fraud training for department staff. The training incorporates input from King County’s Finance and Business Operations Division, Public Health – Seattle & King County, and key DCHS staff. • Additionally, DCHS has developed an anti-fraud training plan, which outlines ongoing training requirements for current staff, the process and training requirements for new staff, and training completion tracking activities. • DCHS will launch anti-fraud training for all staff on April 1, 2026, and will require all department staff to complete it by December 31, 2026 and annually thereafter.
<p>Recommendation 4: “Conduct and document the results of a risk assessment of its hybrid payment model that specifies how its response appropriately mitigates the risks of fraud and improper payments.”</p>	<i>On Track</i>	<ul style="list-style-type: none"> • DCHS completed a risk assessment of its hybrid payment model in December 2025. This included analysis of additional approval steps for new hybrid contracts and conducting a detailed review of payment process and reconciliation timing. • DCHS finalized its strategies for mitigating risk based on the assessment on January 29, 2026, by introducing a centralized process to review, approve, and track hybrid payment model utilization and oversight and establishing reconciliation standards. Specifically, DCHS intends to: <ul style="list-style-type: none"> ○ determine the precise criteria for eligibility of hybrid contracts at the program and RFP level; ○ incorporate provider readiness reviews to triage oversight strategies ○ create a procedure manual to outline steps to be followed to monitor payments and collected documentation;¹² and ○ establish principles when payment pauses or request to return unused funds shall occur. • DCHS will implement the recommended strategies by June 30, 2026.

KCAO Report Recommendation	Status	Activities Initiated and Expected Timeline
<p>Recommendation 5: “The Department of Community and Human Services should develop, document, and implement a plan to monitor the effectiveness of the Best Starts for Kids capacity-building program in improving the financial capacity of grantees and use monitoring results to inform Recommendation 6.”</p>	<p><i>On Track</i></p>	<ul style="list-style-type: none"> • A full evaluation of the Best Starts for Kids (BSK) Technical Assistance and Capacity Building (TACB) strategy was under way before the KCAO made this recommendation. <ul style="list-style-type: none"> ○ Data collection activities began in 2022 and are being led by evaluators in Public Health Seattle-King County (PHSKC). ○ Initial findings from the full evaluation are expected by June 30, 2026, and will be used to inform planning for a potentially renewed Best Starts for Kids levy and the Executive’s response to Recommendation 6. ○ A full evaluation report will be available by December 31, 2026. • Staff and evaluators have also adjusted the original evaluation plan to more explicitly address Recommendation 5. <ul style="list-style-type: none"> ○ To strengthen the evaluation’s assessment of financial capacity outcomes, the evaluation team added several new questions to the survey that goes to each TACB recipient every six months. This targeted data collection began in January 2026, with two additional rounds of data collection occurring in July 2026 and January 2027. ○ To deepen understanding of how financial capacity building supports are delivered and where improvements may be needed, evaluators also plan to conduct a focus group with financial capacity building consultants in mid-2026. ○ DCHS is preparing a supplemental report to the BSK TACB evaluation report, expected by June 30, 2027. It is expected to summarize findings from the targeted data collection above. Plans for the report also include highlighting factors that support or hinder fiscal capacity development and making recommendations for strengthening future capacity-building investments.

<p>Recommendation 6: “Develop, document, and implement a plan for effectively communicating to grantees their role in financial stewardship and how they are supported and held accountable to that role.”</p>	<p><i>On Track</i></p>	<ul style="list-style-type: none"> • DCHS developed the following three online financial stewardship training courses and made them available on its website in March 2026 for its contracted providers to access.¹³ The trainings are responsive to Ordinance 19978 and KCAO Recommendation 6: <ul style="list-style-type: none"> ○ DCHS Contracting Overview Training ○ Financial Management and Best Practices Training ○ DCHS Fiscal Contract Compliance Training • All DCHS contracted providers can access these courses on a new training website that the department developed to support the training implementation and centralize access to additional resources.¹⁴ The training website includes information on how to do business with DCHS and technical assistance and capacity building resources. • DCHS will require the Financial Management and Best Practices training for multi-year contract agencies beginning April 1, 2026, ahead of the timeline called for by Ordinance 19978. The training: <ul style="list-style-type: none"> ○ clarifies DCHS’ financial management expectations for contracted providers; ○ covers key financial best practices a DCHS contract provider needs to understand to successfully manage a contract award; ○ provides consistent and equitable resources to support providers in implementing best practices; and ○ Includes content on accounting system and processes best practices, internal controls best practices, and best practices related to managing a DCHS contract award. • DCHS’ standard contract terms and conditions have been updated to include this requirement, and contract agencies that are required to complete the training must submit a training completion attestation form to DCHS to document that they have finished it. • DCHS communicated the financial stewardship training courses, including the required Financial Management and Best Practices training, to DCHS contracted providers and regional human service coalitions through email communication in March, published a blog post, and has published information about the trainings on its new training website. DCHS has also added the requirement to its contract templates, developed internal workflows
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KCAO Report Recommendation	Status	Activities Initiated and Expected Timeline
		<p>to operationalize the requirement, and trained DCHS staff on the new contracted provider Financial Management and Best Practices training requirement.</p> <ul style="list-style-type: none"> • DCHS intends to prioritize continuous improvement of the training to meet contract providers’ training needs. Contracted providers will have an opportunity to provide training feedback through a survey posted on the DCHS training website. • DCHS plans to develop Spanish language versions of the financial stewardship training courses in the second quarter of 2026 to improve access to these resources.

KCAO Report Recommendation	Status	Activities Initiated and Expected Timeline
<p>Recommendation 7: “Enforce contract requirements related to subcontractors by ensuring, at a minimum, that 1) it has issued written approval for all subcontractors, 2) subcontracts contain language required by contract, and 3) it takes action to correct any improper payments that may have occurred related to unapproved subcontracts.”</p>	<p><i>On Track</i></p>	<ul style="list-style-type: none"> • A cross-divisional staff working group in DCHS developed a Subcontract Review and Management Procedure and related job aids in the fourth quarter of 2025 and finalized the materials on January 23, 2026. <ul style="list-style-type: none"> ○ The procedure provides clear and standard steps and expectations for how contract managers should enforce and document contract requirements related to subcontractors, including approving subcontractors and reviewing subcontracts. ○ Job aids include guidance on how to determine if an entity is acting as a subcontractor, checklist for subcontractor and subcontract review, email templates, and tools for contractors including what to include in a subcontract request and a template of current required flow-down terms. ○ This procedure is intended in part to prevent improper payments to subcontractors. (DCHS, in coordination with the Finance and Business Operations Division, intends to develop and implement a procedure for correcting any improper payments, including those related to unapproved subcontracts, by July 31, 2026.) • DCHS staff and supervisors involved in contract management received training on the procedures and job expectations by the end of February 2026 and are expected to adhere to them for any subcontract that a contractor requests on or after March 1, 2026. • In February 2026, DCHS sent a broad communication to all DCHS contractors explaining the new subcontract request and review process, and created a website to provide information to support contractors to comply.¹⁵

KCAO Report Recommendation	Status	Activities Initiated and Expected Timeline
<p>Recommendation 8: “Develop, document, and implement clear and consistent policies and procedures for:</p> <ol style="list-style-type: none"> 1. invoice validation including, at a minimum, a) guidance on allowable and reasonable costs and b) staff duties to request and review supporting documents for high-risk costs, like subcontracts, stipends, and prepaid cards 2. contract amendments 3. stipend payments 4. prepaid card logs 5. when contract payments exceed actual expenditures 6. contract termination 7. funding eligibility of for-profit businesses as both grantees and subcontractors on community grants 8. documentation management including, at a minimum, the appropriate system(s) for collecting and storing documentation that is used to validate invoices and comply with contract terms.” 	<p><i>On Track</i></p>	<ul style="list-style-type: none"> • Cross-divisional subject matter experts in DCHS collaborated to develop all eight of the recommended policies and procedures required in KCAO Recommendation 8. <ul style="list-style-type: none"> ○ The policies and procedures incorporate feedback from King County’s Finance and Business Operations Division and DCHS staff. ○ DCHS leadership approved all eight of the policies and procedures in Recommendation 8. ○ DCHS intends to continue to evolve these policies and procedures over time. • Training, conducted by the Contract Management Learning and Development Manager, has been provided for staff and supervisors involved in procurements and contract management on all eight policies and procedures in Recommendation 8, with consistent implementation expected by March 31, 2026.

KCAO Report Recommendation	Status	Activities Initiated and Expected Timeline
<p>Recommendation 9: “Develop, document, and implement checklists that help ensure staff adhere to all policies and procedures established in Recommendation 8.”</p>	<p><i>On Track</i></p>	<ul style="list-style-type: none"> • DCHS hired a Contract Management Learning and Development Manager in January 2026. This dedicated staff person has worked with cross-divisional staff to develop checklists and other job aids to support the implementation of the policies and procedures outlined in Recommendation 8. • This staff person maintains a comprehensive list of all policies, procedures, and job aids, as well as related definitions. • The Contract Management Learning and Development Manager will continue to develop, document, and implement checklists and other job aids as additional contract management policies and procedures are developed. • Ultimately, DCHS intends to develop and implement department-wide standard contract management requirements, including an onboarding plan for new staff with contract management duties and ongoing training requirements. This work will likely require additional resources. DCHS plans to utilize future supplemental budget opportunities to make this request.
<p>Recommendation 10: “Develop, document, and implement a comprehensive staff training plan that covers policies, procedures, and checklists from Recommendations 8 and 9.”</p>	<p><i>On Track</i></p>	<ul style="list-style-type: none"> • DCHS’s Contract Management Learning and Development Manager has developed and delivered multiple staff training courses on the policies and procedures outlined in Recommendation 8. This staff has scheduled regular drop-in help sessions for staff already trained on the policies and procedures outlined in Recommendation 8. Additionally, DCHS intends to offer quarterly trainings for new staff. • The Contract Management Learning and Development Manager is also developing a more comprehensive set of contract management-related policies, procedures, and job aids, beyond what is outlined in KCAO Recommendation 8, to further support Contract Managers in their roles. • DCHS intends to develop and implement more comprehensive training, for contract management staff, beyond what was completed March 31, 2026 (as described under Recommendations 7 and 8 above), by the first quarter of 2027.

As detailed in Table 1, DCHS is putting in place stronger internal controls, so staff and contracted providers have what they need to succeed. In September 2025, an external financial consulting firm began working directly with DCHS to help assess the department’s current state, identify additional gaps and risks, and support implementing the report’s recommendations. At the end of December 2025, the consultant provided detailed recommendations for improvement. The consultants briefed DCHS senior leaders on January 12, 2026. The next day, DCHS held the first of three half-day work sessions to develop a vision to strengthen DCHS infrastructure, improve internal controls, and ensure accountability to fiscal and program goals. DCHS is finalizing a document to reflect the vision and ensure integration of KCAO, Council, and consultant recommendations and requirements and identify milestones, timelines, and resources needed to achieve the vision.

Components of the vision include restructuring and adding functions within the department to support a culture of accountability and standardization of practices. Examples include:

- creating a provider support and readiness team,
- creating a centralized accounts payable team for invoice review, approval, and payment,
- developing internal quality assurance and compliance functions, including the hiring of a new senior leader to oversee these contracting functions,
- enhancing training and development, and
- better leveraging technology.

DCHS intends to have a finalized plan (with timelines) for implementation of consultant-recommended improvements by the second quarter of 2026 and will then coordinate with the Executive’s Office on supplemental budget requests that are necessary to make the plan a reality. The Report on Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, transmitted October 20, 2025, identifies areas where additional resources are expected to be necessary to implement audit recommendations and the other activities called for by Ordinance 19978, Section 1.A.2.

In addition, DCHS completed internal review of the 19 issues of potential improper payments that were referred to DCHS by the KCAO. The King County Ombuds Office is now managing a contract for an external independent party to review the items, to ensure objectivity and credibility.

Summary of Service Provider Capacity and Fiscal Partnership Program Activities Supporting Technical Assistance and Capacity Building

This section responds to Ordinance 20023, Section 60, Proviso P1, Part B.

DCHS transmitted a Service Provider Capacity and Fiscal Partnership Program Feasibility Analysis Report to the Council on October 20, 2025 in accordance with Ordinance 19978.¹⁶ The report provided a feasibility analysis of what it would take for DCHS to establish a service provider capacity and fiscal partnership program (PCFPP) that makes ongoing technical assistance and capacity building services available to all DCHS multiyear contract agencies. The report included a description of potential program elements, an estimated implementation timeline, resources needed for enabling program implementation, and a program administration recommendation. The report concluded that a potential PCFPP for multi-year contractors is feasible if the following conditions are met:

Report on the Status of Activities Related to Contract Management and Compliance Reporting Protocols

- An implementation approach involving multiple strategies implemented at different times guides execution of the program.
- Sufficient additional resources to match the scale of the program are provided, including:
 - funding for expanded consultant resources; and
 - funding for additional staffing in DCHS.

A PCFPP was not funded in the King County 2026-2027 Biennial Budget. As a result, DCHS has not implemented this program. However, DCHS continues to administer Best Starts for Kids (BSK) and Veterans, Seniors, and Human Services Levy (VSHSL) technical assistance and capacity building programs. These programs are available to a subset of DCHS contract agencies who have been funded by BSK or VSHSL and agencies who are responding to BSK or VSHSL procurements.

In the October 2025 report, DCHS reported that the department was piloting a Developmental Disabilities and Early Childhood Supports Division (DDECSD) capacity building program. At the time the October 2025 report was transmitted, it was unknown if the DDECSD capacity building pilot would continue in 2026 due to funding uncertainty. Since that time, DCHS has determined that limited developmental disability millage funding is anticipated to be available to support the pilot through the end of 2027, allowing the division to continue small-scale implementation and learning while assessing impact and sustainability.

In addition to these existing programs, DCHS previously administered a similar countywide program between July 2022 and December 2024, called the Grant Application and Capacity Building (GACB) program, which ended due to funding restrictions in 2024.¹⁷

2025 Compliance Monitoring Visits and Risk Assessments

This section responds to:

- *Ordinance 19978, Section 5.A.1.a.; and*
- *Ordinance 19978, Section 5.A.1.b.*

This section responds to the Ordinance 19978, Section 5.A.1.a, requirement for DCHS to report each March 31 on the percentage of its multiyear contract agencies that received an in-person site visit from the department during the prior calendar year, based on related activities called for by Ordinance 19978, Section 1.A.2.c. It also provides additional metrics on DCHS' fiscal and program compliance activity in 2025. These data build upon the status update provided earlier in this report on the department's contract management and compliance monitoring activities, in response to Ordinance 19978, Section 5.A.1.b.

Multiyear Contract Agencies

Since passage of Ordinance 19978 in October 2025, DCHS has developed a methodology to identify multiyear contract agencies for the purposes of conducting annual risk assessments and in-person compliance monitoring visits, tracking contractor training attendance, and implementing other related policies. DCHS intends to report on the percentage of its multiyear contract agencies that received an in-person site visit from the department during 2026 in its March 31, 2027 report.

As DCHS operationalizes direction from Ordinance 19978, the department considers an agency to be a multiyear contract agency in a particular year when the agency has at least one contract with DCHS' standard terms and conditions that was active on or before the first day of that year that has

Report on the Status of Activities Related to Contract Management and Compliance Reporting Protocols

at least 18 months left in its contract term as of the first day of that year. Due to typical contracting and fund source renewal cycles, the number of multiyear contract agencies fluctuates from year to year.

DCHS contracted with 248 multiyear contract agencies in 2025.¹⁸

Ordinance 19978 Interpretation and Prioritization

As described in the Report on Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, transmitted October 20, 2025, DCHS interprets the site visit requirement in Ordinance 19978, Section 1.A.2.c, as inclusive of in-person programmatic or fiscal monitoring site visits, consistent with its Contract Compliance Monitoring Policy instituted in July 2025.¹⁹

The department's policy requires all department contractors that deliver human services or community-based programs directly to residents using DCHS-administered funding, which the policy references as subrecipients, to receive either an in-person or remote monitoring visit covering programmatic and fiscal contract compliance at least once every three years. Under this policy, program monitoring includes interviews with agency program staff, review of policies, procedures, and board minutes, and reviews of client files where applicable. Fiscal monitoring includes review of financial policies, internal controls, ledgers, and source documentation.

As also discussed in the October 2025 Report on Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, implementing a requirement for DCHS to conduct in-person site visits at least every three years will significantly increase workloads for monitoring staff, and additional funding for staffing resources would be needed to meet this threshold.²⁰ The October 2025 report also stated that unless directed otherwise by Council, DCHS intends to use the risk assessment process called for by Ordinance 19978, Section 1.A.2.c, to determine which organizations most need in-person monitoring and which allow for virtual monitoring (low-risk organizations), until sufficient resources are identified.²¹

Risk and Readiness Assessments

This report provides information on DCHS' monitoring activity for multiyear contract agencies as well as previous tracking of monitoring and risk assessment activity prior to the passage of Ordinance 19978, including in responses to the August 2025 KCAO report. Consistent with DCHS' Contract Compliance Monitoring Policy and the October 2025 Report on Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, prior to the passage of Ordinance 19978, compliance monitoring activities have been compared to the department's total number of contractors that deliver human services or community-based programs directly to residents using DCHS-administered funding.^{22,23} In 2025, DCHS identified 358 contractors as eligible for risk assessments, because they had received payment from the department in 2024. Not all these 358 contractors are multiyear contract agencies.

DCHS' fiscal compliance team performed a risk assessment on 100 percent of the 358 contractors deemed eligible for a risk assessment in 2025. In addition to fiscal compliance risk assessments, DCHS divisions conducted an additional 140 risk or readiness assessments in 2025, for a total of 498 risk and readiness assessments across DCHS during the year.^{24,25} These 498 risk and readiness assessments involved 405 unique agencies, 171 of which were 2025 multiyear contract agencies (approximately 69 percent of the 248 multiyear contract agencies).

DCHS intends to standardize department-wide risk and readiness assessments. The results of these assessments will be used to inform future contract management and monitoring activities. These include monitoring visits but also other supports an organization may need, such as technical assistance or capacity building (where available), or more frequent contact with their DCHS program manager.

Fiscal Compliance Monitoring Visits

Based on the prioritization within existing resources described above, DCHS conducted 79 fiscal compliance monitoring visits in 2025, representing 22 percent of the 358 organizations that received a risk assessment in 2025. As DCHS previously reported, these 358 agencies were prioritized for risk assessments and fiscal compliance monitoring visits, as guided by DCHS' Contract Compliance Monitoring Policy.²⁶ The 79 fiscal compliance monitoring visits included 36 agencies (approximately 14 percent) out of the department's 248 2025 multiyear contract agencies.

Program Compliance Monitoring Visits

In addition, DCHS contract management staff conducted 208 program compliance monitoring visits, covering 129 agencies. Of these, 63 were multiyear contract agencies in 2025, or 25 percent of the 248 total multiyear contract agencies in 2025, and 35 (14 percent) of the visits to 2025 multiyear contract agencies occurred in person. These visits include general compliance monitoring visits, as well as electronic data validation (EDV) visits that verify service delivery fidelity, and on-site housing capital and community capital contract compliance inspections.

Prioritization in 2026

Responding to direction from Ordinance 19978, DCHS is prioritizing risk assessments and in-person site visits for multiyear contract agencies in 2026. DCHS is currently recruiting for additional compliance staff, as provided in the 2026-2027 budget. This added staffing is needed to increase the number of on-site compliance monitoring visits and risk assessments for multiyear contract agencies in 2026. The department intends to continue to prioritize among multiyear contract agencies based on risk assessment results, as described above.

Monitoring Contract Agencies' Time Spent on Contract Compliance Activities and Evaluating the Effectiveness and Efficiency of Contract Processes and Requirements

This section responds to Ordinance 19978, Section 5.A.1.c.

As noted in the Report on Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, transmitted in October 2025, DCHS intends to use direct feedback from contractors to determine the impact of its updated processes and monitoring activities.²⁷ DCHS already routinely collects information about contractors' experience using a variety of methods, such as surveys administered at the end of the solicitation application process, required annual narrative reporting about successes and challenges in implementing contracted services, and annual fiscal compliance subrecipient surveys. DCHS intends to integrate questions into existing feedback mechanisms to limit burden on providers. The first round of updated processes and procedures that will have an impact on providers was implemented on March 31, 2026. DCHS anticipates having collected sufficient data to report to Council on the impact of updated processes and monitoring activity beginning with the March 31, 2027 report.

Conclusion

DCHS is taking swift action to reinforce its commitment to strengthening fiscal stewardship and creating a strong platform from which it can fulfill the more complex KCAO recommendations. Since the KCAO released its report in August 2025, DCHS has implemented several new policies and procedures. The implementation includes training numerous staff on the policies and procedures so they have the information they need to be successful. Many foundational improvement activities are already in motion, including the rollout of the new Contract Compliance Monitoring Policy and staff completion of associated trainings, the launch of interdepartmental coordination efforts with PHSKC, the development of an anti-fraud training, and the engagement of an external consultant.

While DCHS is confident in leveraging existing staff and tools to initiate many reforms, certain recommendations and improvements will require staffing increases, targeted technology, and reporting enhancements. DCHS plans to partner with the Executive's Office on supplemental budget requests.

With support from the Executive, structured timelines, and a phased resourcing strategy, DCHS intends to fulfill the recommendations outlined in the KCAO report.²⁸ New policies have been developed by the KCAO's March 31, 2026 deadline, with full implementation of all recommendations planned by mid-2027. Through these efforts, DCHS will deliver on its commitment to fiscal responsibility and community impact.

Endnotes

¹ Executive Girmay Zahilay Executive Order, March 4, 2026. https://content.govdelivery.com/attachments/WAKING/2026/03/04/file_attachments/3573206/EO_GoodGovernance_FinancialManagement.pdf.

² Service Provider Capacity and Fiscal Partnership Program Feasibility Analysis Report, October 20, 2025. <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7709802&GUID=B99AFE29-D9C6-43F3-B008-08E2EAD50E66&Options=Advanced&Search=>

³ Motion 16723. <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7030493&GUID=9F12AB5C-3AF3-4096-A7C4-A33CAA52FC5B&Options=Advanced&Search=>

⁴ Initial calls for the audit in 2024 focused on the Restorative Community Pathways (RCP) youth diversion program. The audit did not contain any findings related to RCP, but the final scope of the audit encompassed a broader range of youth programs.

⁵ King County Auditor's Office (August 26, 2025, updated September 10, 2025). Department of Community and Human Services Needs to Strengthen Financial Stewardship. <https://cdn.kingcounty.gov/-/media/king-county/independent/governance-and-leadership/government-oversight/auditors-office/reports/audits/2025/dchs-contracts/dchs-contracts-2025.pdf?rev=de1da047b6c94b9d9ac69aebf3b4de4f&hash=A3D1D5746BFA9C7911E02029536AA559>. The Executive Response is Appendix 3 to the KCAO report, and is included as Appendix B to this report.

⁶ King County DCHS (September 5, 2025). Cultivating Connections: Doing Right by Communities: Our Commitment to Accountability and Transparency. <https://dchsblog.com/2025/09/05/doing-right-by-communities-our-commitment-to-accountability-and-transparency/>

⁷ Ordinance 19978. <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7638134&GUID=6C08433A-B1B7-4E54-A3F9-C512CD12E80D&Options=Advanced&Search=>

⁸ Ordinance 19978. <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7638134&GUID=6C08433A-B1B7-4E54-A3F9-C512CD12E80D&Options=Advanced&Search=>

⁹ Executive Girmay Zahilay Executive Order, March 4, 2026. https://content.govdelivery.com/attachments/WAKING/2026/03/04/file_attachments/3573206/EO_GoodGovernance_FinancialManagement.pdf.

¹⁰ King County Auditor's Office (August 26, 2025, updated September 10, 2025). Department of Community and Human Services Needs to Strengthen Financial Stewardship. <https://cdn.kingcounty.gov/-/media/king-county/independent/governance-and-leadership/government-oversight/auditors-office/reports/audits/2025/dchs-contracts/dchs-contracts-2025.pdf?rev=de1da047b6c94b9d9ac69aebf3b4de4f&hash=A3D1D5746BFA9C7911E02029536AA559>

¹¹ Status Update Letter Responding to Auditor Recommendations and Available Plans for Improvements to Contract Management and Compliance Monitoring Activities, November 21, 2025. <https://mkcclegisearch.kingcounty.gov/View.ashx?M=F&ID=14978676&GUID=39D14A7C-A355-494D-A36E-A83D4E820608>

¹² This activity is also associated with KCAO Recommendation 8.5.

¹³ King County DCHS Contractor Training Resources. <https://kingcounty.gov/en/dept/dchs/human-social-services/funding-opportunities-dchs/contractor-training-resources>

¹⁴ King County DCHS Contractor Training Resources. <https://kingcounty.gov/en/dept/dchs/human-social-services/funding-opportunities-dchs/contractor-training-resources>

¹⁵ King County DCHS Requesting to Subcontract. <https://kingcounty.gov/en/dept/dchs/human-social-services/funding-opportunities-dchs/how-to-contract-dchs/subcontracting>

¹⁶ Service Provider Capacity and Fiscal Partnership Program Feasibility Analysis Report, October 20, 2025. <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7709802&GUID=B99AFE29-D9C6-43F3-B008-08E2EAD50E66&Options=Advanced&Search=>

¹⁷ DCHS established the Grant Application and Capacity Building (GACB) program in July 2022 to support small community-based organizations (CBOs) that traditionally face barriers to accessing King County funding but who are situated to best serve the diverse communities of King County. GACB provided support to access County funds through contracted assistance to CBOs applying to County procurements. The program aimed to address barriers and enable more small CBOs (less than 20 staff and organizational budget smaller than \$4 million) and BIPOC-led organizations to equitably apply to County procurements through the provision of grant assistance. Once contracted with the County, GACB provided capacity building support to help organizations thrive through a variety of services to strengthen organizational development and systems for long-term organization sustainability, including but not limited to, finance, human resources, fund development, information technology, change management, and board development. The program ended due to General Fund reductions.

¹⁸ As a comparison, applying the multiyear contract agency definition in this report, DCHS worked with 315 multiyear contract agencies in 2024. In 2026, DCHS is working with 360 multiyear contract agencies.

¹⁹ Report on Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, October 20, 2025.

<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7710207&GUID=5A92CECB-7BFB-42CE-BC66-58DAD45A2EEC&Options=Advanced&Search=>

²⁰ Report on Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, October 20, 2025.

<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7710207&GUID=5A92CECB-7BFB-42CE-BC66-58DAD45A2EEC&Options=Advanced&Search=>

²¹ Report on Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, October 20, 2025.

<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7710207&GUID=5A92CECB-7BFB-42CE-BC66-58DAD45A2EEC&Options=Advanced&Search=>

²² Report on Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, October 20, 2025.

<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7710207&GUID=5A92CECB-7BFB-42CE-BC66-58DAD45A2EEC&Options=Advanced&Search=>

²³ The department's risk assessment activities do not include the roughly 85 fee-for-service contractors that deliver services to support DCHS contractors, such as language translation, workforce training, technical assistance and capacity building. Unlike subrecipients that deliver direct services to clients, these contractors provide discrete support services to other service providers rather than operating client-facing programs themselves.

²⁴ Many contracted providers hold multiple contracts with DCHS. Fiscal monitoring visits evaluate the agency as a whole, whereas program compliance monitoring visits typically evaluate performance on a specific program. This is why there is a difference between the number of visits and the number of agencies visited.

²⁵ In addition to risk assessments by DCHS' fiscal compliance team, DCHS divisions' risk and readiness assessments included: (a) pre-vendor assessment the Adult Services Division conducted on 96 agencies that were entering new contracts; (b) 29 risk assessments conducted by Housing and Community Development Division's capital section, in alignment with standards developed with joint funders, and consistent with affordable housing industry metrics and contract requirements; and (c) 13 risk assessments conducted by the Developmental Disabilities and Early Childhood Supports Division, informed by ongoing discussions with Department of Children, Youth and Families (DCYF) and in alignment with federal monitoring requirements.

²⁶ Prioritization considerations for fiscal compliance monitoring visits included federally and state-funded contracts that require annual monitoring; agencies identified as high risk through the risk assessment

process; agencies that had not been monitored during the past three years; and agencies where possible concerns had been identified.

²⁷ Report on Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, October 20, 2025.

<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7710207&GUID=5A92CECB-7BFB-42CE-BC66-58DAD45A2EEC&Options=Advanced&Search=>

²⁸ King County Auditor's Office (August 26, 2025, updated September 10, 2025). Department of Community and Human Services Needs to Strengthen Financial Stewardship. <https://cdn.kingcounty.gov/-/media/king-county/independent/governance-and-leadership/government-oversight/auditors-office/reports/audits/2025/dchs-contracts/dchs-contracts-2025.pdf?rev=de1da047b6c94b9d9ac69aebf3b4de4f&hash=A3D1D5746BFA9C7911E02029536AA559>. The Executive Response is Appendix 3 to the KCAO report.



King County

**Metropolitan King County Council
Committee of the Whole**

STAFF REPORT

Agenda Item:	5	Name:	Olivia Brey
Proposed No.:	2026-0068	Date:	May 26, 2026

SUBJECT

Proposed Motion 2026-0068 would acknowledge receipt of the first of four semiannual reports on the status of activities related to contact management and compliance reporting protocols, as required by the 2026-2027 Biennial Budget.

SUMMARY

In response to a 2026-2027 Biennial Budget proviso, the Executive has transmitted Proposed Motion 2026-0068 that acknowledges receipt of the first semiannual report on the status of activities related to contact management and compliance reporting protocols by the Department of Community and Human Services (DCHS).

The proviso report includes a summary of activities resulting from the recommendations from the Auditor's Office or Ordinance 19978, an update on 2025 compliance monitoring visits and risk assessments, and an update on monitoring contract agencies' time spent on contract compliance activities and evaluating the effectiveness and efficiency of contract processes. The report notes that because the Service Provider Capacity and Fiscal Partnership Program was not funded in the 2026-2027 Biennial Budget, DCHS has not implemented this program

The proviso response appears to be responsive to the requirements of the proviso. Passage of the proposed motion would satisfy the first of four proviso requirements and would release \$50,000 in the DCHS Administration budget to be expended or encumbered.

BACKGROUND

2025 DCHS Contract Audit. As part of the 2025 King County Auditor's Office Work Program,¹ the Auditor's Office released a report on August 26, 2025,² after reviewing a sample of contracts from four DCHS programs related to juvenile diversion. The

¹ [King County - File #: 2024-0395](#)

² Department of Community and Human Services Needs to Strengthen Financial Stewardship, King County Auditor's Office <https://cdn.kingcounty.gov/-/media/king-county/independent/governance-and-leadership/government-oversight/auditors-office/reports/audits/2025/dchs-contracts/dchs-contracts-2025.pdf?rev=de1da047b6c94b9d9ac69aebf3b4de4f&hash=A3D1D5746BFA9C7911E02029536AA559>

Auditor's Office found that DCHS lacks documented policies and procedures, training, and checklists for validating invoices, which has reduced consistency in financial oversight and increased financial risk. The report made 10 recommendations to help DCHS strengthen financial stewardship and improve internal controls, including documenting standard procedures; developing and implementing new strategies and policies for financial oversight; finding efficiencies in oversight with Public Health – Seattle & King County; developing anti-fraud training; and improving communications and support for grantees.

Ordinance 19978. In October 2025, the King County Council adopted Ordinance 19978,³ which codified directives for DCHS to develop and implement best practices for contract management, compliance monitoring, and supportive contracting partnerships. The ordinance also codified a training requirement for multi-year contract agencies receiving over \$50,000 per biennium.

Reporting requests for DCHS and the Auditor's Office were also included in the ordinance. Transmittal of the reports is noted in subsection C of the Analysis section of this staff report.

2026-2027 Biennial Budget. The 2026-2027 Biennial Budget⁴ included a proviso (Ordinance 20023, Section 60, Proviso P1) that withheld \$200,000 from the Community and Human Services Administration budget:

Of this appropriation, \$200,000 shall not be expended or encumbered until the executive transmits semiannual reports describing the status of activities required by Ordinance 19978 related to contract management and compliance monitoring protocols and motions that should acknowledge receipt of the report, and motions acknowledging receipt of the report are passed by the council. The motions should reference the subject matter, the proviso's ordinance, ordinance section, and proviso number in both the title and body of the motion. The reports shall include, but not be limited to:

A. A summary of the activities initiated consequent to any recommendations from the King County auditor's office in the reporting period;

B. A summary of the services provider capacity and fiscal partnership program activities supporting technical assistance and capacity building; and

C. A summary of activities initiated consequent to the requirements defined by Ordinance 19978, including the financial management and best practices training requirements as described in Ordinance 19978, Section 1.A.2.d.

³ Ordinance 19978, [King County - File #: 2025-0266](#)

⁴ Ordinance 20023, [King County - File #: 2025-0288](#)

Moneys shall be unencumbered in \$50,000 increments upon receipt of each quarterly report filed by the executive to the clerk of the council. The executive should electronically file the first semiannual report and a motion required by this proviso by March 31, 2026, 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 committee of the whole or its successor.

The executive should electronically file the next two semiannual reports required by this proviso by the first working day after the end of each half-year, with the clerk of the council 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 committee of the whole or its successor.

The executive should electronically file the final semiannual report required by this proviso by September 30, 2027, 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 committee of the whole or its successor.

ANALYSIS

Proposed Motion 2026-0068 was transmitted in response to Proviso P1, Section 60 in the 2026-2027 Biennial Budget and would acknowledge receipt of DCHS' first semiannual report on the status of activities related to contact management and compliance reporting protocols. Passage of the proposed motion would satisfy the first of four proviso requirements and would release \$50,000 in the DCHS Administration budget to be expended or encumbered.

The report includes the following elements:

- A summary of the activities initiated consequent to any recommendations from the Auditor's Office and Ordinance 19978 requirements, including Financial Management and Best Practices Training;
- A summary of the services provider capacity and fiscal partnership program activities supporting technical assistance and capacity building;
- 2025 compliance monitoring visits and risk assessments; and
- An update on monitoring contract agencies' time spent on contract compliance activities and evaluating the effectiveness and efficiency of contract processes and requirements

A. A summary of the activities initiated consequent to any recommendations from the King County Auditor's Office in the reporting period. The report outlines activities that DCHS has completed since before the Auditor's Office report was published through March 31, 2026, to strengthen its fiscal and compliance oversight policies and procedures. A summary of the activities that appear to have been

completed during the reporting period⁵ for each recommendation are documented below.

Activities related to Recommendation 1 "Develop, document, and implement a strategy to strengthen internal controls for financial management that includes, at a minimum, 1) a clear vision of how financial stewardship relates to program goals, and 2) the role of compliance, fiscal, and program staff in supporting fiscal stewardship."

- An external consultant completed a current state assessment and gap analysis.
- DCHS held the first of three, half-day work sessions in January 2026 to develop a vision to strengthen DCHS infrastructure, improve internal controls, and ensure accountability to fiscal and program goals.
- DCHS is finalizing a document reflecting the vision and ensure recommendations are incorporated.
- DCHS has initiated a recruitment process for a new senior leader to lead activities to strengthen internal and external compliance and controls.
- DCHS is developing job aids that create stronger role clarity for key positions within the department. It will further specify responsibilities for program managers, contract managers, and fiscal and compliance staff in supporting fiscal stewardship.
- DCHS updated multiple policies and procedures related to financial management and compliance.
- DCHS has developed a three-part financial stewardship training series for providers, covering contracting financial management, and fiscal compliance

Activities related to Recommendation 2, "Work with Public Health – Seattle & King County to develop, document, and implement a plan to identify opportunities for efficiencies in the financial oversight of organizations funded by both departments."

- The cross-departmental DCHS and Public Health - Seattle & King County (PHSKC) workgroup is developing additional metrics to track coordinated and leveraged monitoring visits.
- The workgroup has established a short-term goal of synchronizing upcoming site visits and strategies, including documenting areas of common and different approaches and recommending solutions to achieve consistency.
- The cross-departmental team has developed a tracking tool that has identified providers that have contracts that overlap both DCHS and PHSKC to help both agencies focus on which providers require synchronized site visits and risk assessment review and elevates any urgent issues that may exist in provider oversight.
- The cross-departmental team has established monthly meetings to share a 60-day fiscal monitoring schedule to coordinate a more efficient fiscal monitoring plan for agencies with contracts in both departments.
- DCHS is currently developing a documented joint implementation strategy.

⁵ The initial reporting period was not defined, so for the purposes of this staff report, it is assumed start subsequent to the last update, provided in the November 21, 2025 transmittal letter for the Status Update Letter Responding to Auditor Recommendations and Available Plans for Improvements to Contract Management and Compliance Monitoring Activities, [2025-RPT0147](#)

Activities related to Recommendation 3, “Develop, document, and implement a plan to offer ongoing anti-fraud training for all staff. At a minimum, this training should include information on the impact of fraud, why people commit fraud, how to identify it, and how to report it.”

- DCHS developed anti-fraud training for department staff.
- DCHS has developed an anti-fraud training plan, which outlines ongoing training requirements for current staff, the process and training requirements for new staff, and training completion tracking activities.

Activities related to Recommendation 4, “Conduct and document the results of a risk assessment of its hybrid payment model that specifies how its response appropriately mitigates the risks of fraud and improper payments.”

- DCHS completed a risk assessment of its hybrid payment model in December 2025. This included analysis of additional approval steps for new hybrid contracts and conducting a detailed review of payment process and reconciliation timing.
- DCHS finalized its strategies for mitigating risk based on the assessment on January 29, 2026, by introducing a centralized process to review, approve, and track hybrid payment model utilization and oversight and establishing reconciliation standards.

Activities related to Recommendation 5, “The Department of Community and Human Services should develop, document, and implement a plan to monitor the effectiveness of the Best Starts for Kids capacity-building program in improving the financial capacity of grantees and use monitoring results to inform Recommendation 6.”

- A full evaluation of the Best Starts for Kids (BSK) Technical Assistance and Capacity Building (TACB) strategy was under way before the KCAO made this recommendation. Staff and evaluators have adjusted the original evaluation plan to more explicitly address Recommendation 5.
- To strengthen the evaluation’s assessment of financial capacity outcomes, the evaluation team added several new questions to the survey that goes to each TACB recipient every six months.

Activities related to Recommendation 6, “Develop, document, and implement a plan for effectively communicating to grantees their role in financial stewardship and how they are supported and held accountable to that role.”

- DCHS developed the following three online financial stewardship training courses and made them available on its website in March 2026 for its contracted providers to access: DCHS Contracting Overview Training, Financial Management and Best Practices Training, and DCHS Fiscal Contract Compliance Training
- All DCHS contracted providers can access these courses on a new training website that the department developed to support the training implementation and centralize access to additional resources. The training website includes information on how to do business with DCHS and technical assistance and capacity building resources.
- DCHS will require the Financial Management and Best Practices training for multi-year contract agencies beginning April 1, 2026, ahead of the timeline called for by Ordinance 19978.

- DCHS' standard contract terms and conditions have been updated to include this requirement, and contract agencies that are required to complete the training must submit a training completion attestation form to DCHS to document that they have finished it.
- DCHS communicated the financial stewardship training courses, including the required Financial Management and Best Practices training, to DCHS contracted providers and regional human service coalitions through email communication in March, published a blog post, and has published information about the trainings on its new training website. DCHS has also added the requirement to its contract templates, developed internal workflows to operationalize the requirement, and trained DCHS staff on the new contracted provider Financial Management and Best Practices training requirement.

Activities related to Recommendation 7, "Enforce contract requirements related to subcontractors by ensuring, at a minimum, that 1) it has issued written approval for all subcontractors, 2) subcontracts contain language required by contract, and 3) it takes action to correct any improper payments that may have occurred related to unapproved subcontracts."

- A cross-divisional staff working group in DCHS developed a Subcontract Review and Management Procedure and related job aids in the fourth quarter of 2025 and finalized the materials on January 23, 2026.
- DCHS staff and supervisors involved in contract management received training on the procedures and job expectations by the end of February 2026 and are expected to adhere to them for any subcontract that a contractor requests on or after March 1, 2026.
- In February 2026, DCHS sent a broad communication to all DCHS contractors explaining the new subcontract request and review process, and created a website to provide information to support contractors to comply

Activities related to Recommendation 8, "Develop, document, and implement clear and consistent policies and procedures for:

- 1. invoice validation including, at a minimum, a) guidance on allowable and reasonable costs and b) staff duties to request and review supporting documents for high-risk costs, like subcontracts, stipends, and prepaid cards*
 - 2. contract amendments*
 - 3. stipend payments*
 - 4. prepaid card logs*
 - 5. when contract payments exceed actual expenditures*
 - 6. contract termination*
 - 7. funding eligibility of for-profit businesses as both grantees and subcontractors on community grants*
 - 8. documentation management including, at a minimum, the appropriate system(s) for collecting and storing documentation that is used to validate invoices and comply with contract terms."*
- Cross-divisional subject matter experts in DCHS collaborated to develop all eight of the recommended policies and procedures required in KCAO Recommendation 8. DCHS leadership approved all eight of the policies and procedures in Recommendation 8.

- Training, conducted by the Contract Management Learning and Development Manager, has been provided for staff and supervisors involved in procurements and contract management on all eight policies and procedures in Recommendation 8

Activities related to Recommendation 9, “Develop, document, and implement checklists that help ensure staff adhere to all policies and procedures established in Recommendation 8.”

- DCHS hired a Contract Management Learning and Development Manager in January 2026. This dedicated staff person has worked with cross-divisional staff to develop checklists, policies, procedures, and other job aids to support the implementation of the policies and procedures outlined in Recommendation 8.

Activities related to Recommendation 10, “Develop, document, and implement a comprehensive staff training plan that covers policies, procedures, and checklists from Recommendations 8 and 9.”

- DCHS’s Contract Management Learning and Development Manager has developed and delivered multiple staff training courses on the policies and procedures outlined in Recommendation 8. This staff has scheduled regular drop-in help sessions for staff already trained on the policies and procedures outlined in Recommendation 8.
- The staff person is also developing a more comprehensive set of contract management-related policies, procedures, and job aids, beyond what is outlined in KCAO Recommendation 8, to further support Contract Managers in their roles.

Additional details including the upcoming activities and completion dates for many recommendations is included in the report. The report notes that many improvements can be made with existing resources; however, certain initiatives will require additional resources and capacity, which may be advanced in supplemental budget requests.

B. A summary of the services provider capacity and fiscal partnership program activities supporting technical assistance and capacity building. The report notes that because the Service Provider Capacity and Fiscal Partnership Program (PCFPP) wasn’t funded in the 2026-2027 Biennial Budget, DCHS has not implemented this program. Executive staff noted that resources were not requested in the first 2026-2027 omnibus because DCHS is focused on hiring staff approved in the 2026-2027 Biennial Budget, determining role clarity, and implementing department changes, including standardizing roles and processes with existing staff.

The report also notes that technical assistance and capacity building programs are included in BSK and Veterans, Seniors, and Human Services Levy (VSHSL) operations and are available to contract agencies who are funded by or responding to BSK or VSHSL procurements. Additionally, other programs including a Developmental Disabilities and Early Childhood Learning Supports Division capacity building program and a Grant Application and Capacity Building program were previously administered, but were discontinued due to funding restrictions.

C. A summary of activities initiated consequent to the requirements defined by Ordinance 19978, including the financial management and best practices training

requirements as described in Ordinance 19978, Section 1.A.2.d. The summary of activities in response to Ordinance 19978 were focused on Section 5.A.1. of the ordinance, which requires DCHS to provide an annual report on several metrics. DCHS responded to the annual reporting requirements within this report.

The remaining sections of Ordinance 19978 were either inherently included in the summary of the activities in response to the King County Auditor's Office recommendations or the reporting functions were fulfilled, as documented in Table 1.

Table 1. Status Update of Added Requirements in Ordinance 19978

Section	Subsection	Summary of Requirement	Update
Section 1			
	A.2.a	Develop, document, implement, and adhere to best practices regarding contract management and compliance monitoring.	Summary provided in section A of staff report
	A.2.b	Establish protocols and procedures for monitoring multi-year contract agencies time spent on compliance activities and evaluate effectiveness of contract processes.	Summary provided in subsection Time Spent on Contract Agencies' Compliance Activities and Evaluating Effectiveness and Efficiency, below
	A.2.c	Annual perform risk assessment of multi-year contract agencies and complete site visit once every three years.	Summary provided in subsection Multi-year Contract Agencies Receiving Site Visit, below
	A.2.d	Require Financial Management and Best Practices Training for multi-year contract agencies with over \$50,000 in county moneys.	As discussed in Recommendation 6, DCHS developed the training, and will require the training for multi-year contract agencies beginning April 1, 2026.
Section 2			
	N/A	Briefing to Committee of the Whole on the status of DCHS contract management and compliance	Committee of the Whole Briefing, April 28, 2026, Briefing 2026-B0059
Section 3			
	A. 1	Report to Council on a service provider capacity and fiscal partnership program feasibility analysis	Transmitted: Service Provider Capacity and Fiscal Partnership Program Feasibility Analysis Report, 2025-RPT0124
	A.2	Report to Council on the	Transmitted: Report on

		feasibility of implementing auditor recommendations and proposed amendment concepts	Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, 2025-RPT0125
	A.3	Report to Council on a public dashboard with contract outcomes feasibility analysis	Transmitted: Public Dashboard with Contract Outcomes Feasibility Analysis Report, 2025-RPT0123
Section 4			
	N/A	Letter to Council on the status of the Auditor's recommendation and implementation plans	Transmitted: Status Update Letter Responding to Auditor Recommendations and Available Plans for Improvements to Contract Management and Compliance Monitoring Activities, 2025-RPT0147
Section 5			
	A.1.a	Annual report on % multi-year contract agencies that received site visit	Summary provided in subsection Multi-year Contract Agencies Receiving Site Visit, below
	A.1.b	Annual update on DCHS' contract management and compliance monitoring activities	Summary provided in section A of staff report
	A.1.c	Annual summary on monitoring multi-year contract agencies time spent on compliance activities and evaluate effectiveness of contract processes	Summary provided in subsection Time Spent on Contract Agencies' Compliance Activities and Evaluating Effectiveness and Efficiency, below
	B	Notify the Council of credible evidence of contractor agency fraud, waste, or abuse	Nothing transmitted to date
Section 6			
	N/A	Report to Council by the Auditor's Office and King County Ombuds on feasibility of inspector general position, qui tam program, and independent contract review process	Transmitted: Building Toward Effective Fraud Risk Management and Response, 2026-RPT0023

Multi-year Contract Agencies Receiving Site Visit. Ordinance 19978, Section 5.A.1.a. calls for an annual update on the percentage of DCHS' multi-year contract agencies that received an in-person site visit from the department during the previous year.

The report notes that DCHS' interpretation of the site visit requirement in Ordinance 19978, Section 1.A.2.c. is inclusive a Contract Compliance Monitoring Policy, implemented in July 2025.⁶ The policy requires all department contractors that deliver human services or community-based programs directly to residents using DCHS-administered funding, including subrecipients, to receive either an in-person or remote monitoring visit covering programmatic and fiscal contract compliance at least once every three years. In comparison with the requirements of Ordinance 19978, the department considers an agency to be a multi-year contract agency in a particular year when the agency has at least one contract with DCHS' standard terms and conditions that was active on or before the first day of that year that has at least 18 months left in its contract term as of the first day of that year. Not all contractors that align with the Contract Compliance Monitoring Policy are multi-year contract agencies. The number of risk or readiness assessments and site visits for both definitions of agencies are shown in Table 2.

Table 2. 2025 Site Visits

Type	2025 Total Agencies	Risk or Readiness Assessments	Fiscal Monitoring Site visits	Programmatic Site Visits
Count of Agencies Using Multi-year Contract Definition	248	171 <i>69% of total</i>	36 <i>15% of total</i>	63 <i>25% of total</i>
Count of Agencies Using Contract Compliance Monitoring Policy Definition	358	498 (405 unique agencies) <i>100% of total</i>	79 <i>22% of total</i>	208 (129 unique agencies) <i>58% of total</i>

The report notes that, as discussed in the October 2025 Report on Feasibility of Implementing Auditor Recommendations and Proposed Amendment Concepts, implementing a requirement for DCHS to conduct in-person site visits at least every three years will significantly increase workloads for monitoring staff, and additional funding for staffing resources would be needed to meet this threshold. DCHS intends to use the risk assessment process called for by Ordinance 19978 to determine which organizations most need in-person monitoring and which allow for virtual monitoring, until sufficient resources are identified.

Time Spent on Contract Agencies' Compliance Activities and Evaluating Effectiveness and Efficiency. Ordinance 19978, Section 5.A.1.c calls for annual data for the prior year on time spent monitoring contract agencies' contract compliance activities and evaluating the effectiveness and efficiency of contract processes and requirements. The

⁶ DCHS Contract Compliance Monitoring Policy, <https://cdn.kingcounty.gov/-/media/king-county/depts/dchs/contracts/contract-requirements/dchs-contract-compliance-monitoring-policy.pdf?rev=b3ad858210cf42c7b92aeb48fda22c8d&hash=CF67D08936C88EFEA7894E48FCAC3619>

report notes that DCHS intends to integrate questions into existing feedback mechanisms and use direct feedback to determine the impact on its updated processes and monitoring activities. According to the report, DCHS anticipates having collected sufficient data to report to Council on the impact of updated processes and monitoring activity beginning with the March 31, 2027, report.

Responsiveness of Report to Proviso Requirements. The report appears to meet all requirements outlined in Ordinance 20023, Section 60, Proviso P1.

INVITED

- Dr. Susan McLaughlin, Interim Director, Department of Community and Human Services
- Amber Green, Deputy Director, Department of Community and Human Services

ATTACHMENTS

1. Proposed Motion 2026-0068 (and its attachments)
2. Transmittal Letter