King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

King County Transportation District Executive Committee

Boardmembers: Claudia Balducci, Chair;
Steffanie Fain, Vice Chair;
Rod Dembowski, Sarah Perry

10:30 AM	Tuesday, July 28, 2026	Hybrid Meeting

SPECIAL MEETING

Hybrid Meetings: Attend King County Transportation District meetings in person in Southwest Conference Room, 12th Floor, 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 District values community input and looks forward to hearing from you. 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 Southwest Conference Room.

2. By email: You may testify by submitting a COMMENT email. If your testimony is submitted before 4:00 p.m. on the day before the meeting, your email testimony will be distributed to the Supervisors and appropriate staff prior to the meeting. Please submit your testimony by emailing clerk.council@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.

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

CONNECTING TO THE WEBINAR

Webinar ID: 830 0903 6067

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.

Language access services: Sign language and interpreter services are available at no cost to you. To request these services, contact King County Council's Equity and Social Justice Office at 206-477-9259 (TTY Relay 7-1-1) or kccesj@kingcounty.gov at your earliest opportunity. Please provide notice by 9 AM at least three (3) business days prior to the meeting to better secure availability.

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).

HOW TO LISTEN TO THE MEETING: There are several ways to listen to the meeting if you don't wish to provide public testimony:

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.

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

1. **Call to Order**

2. **Roll Call**

3. **Approval of Minutes of May 27, 2026** pg 4

4. **Public Comment**

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

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

Discussion and Possible Action

5. TDEC Motion No. TDECM2026-01 pg 8

A MOTION approving a startup support plan for the King County transportation district and authorizing the chair to initiate a process for selection of a law firm.

Mary Bourguignon, Council staff
Nick Bowman, Council staff

6. TDEC Motion No. TDECM2026-02 pg 16

A MOTION authorizing the chair to enter into investment and cash management service agreements with King County.

Mary Bourguignon, Council staff
Nick Bowman, Council staff

Adjournment

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

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

King County

Meeting Minutes

King County Transportation District Executive Committee

Boardmembers: Claudia Balducci, Chair;
Steffanie Fain, Vice Chair;
Rod Dembowski, Sarah Perry

1:30 PM | **Wednesday, May 27, 2026** | **Hybrid Meeting**

SPECIAL MEETING - DRAFT MINUTES

Hybrid Meetings: Attend King County Transportation District 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 District values community input and looks forward to hearing from you. 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 4:00 p.m. on the day before the meeting, your email testimony will be distributed to the Supervisors 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.

CONNECTING TO THE WEBINAR

Webinar ID: 830 0903 6067

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).

HOW TO LISTEN TO THE MEETING: There are several ways to listen to the meeting if you don't wish to provide public testimony:

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

The meeting was called to order at 1:34 p.m.

2. Roll Call

Present: 4 - Balducci, Fain, Dembowski and Perry

3. Approval of Minutes of April 22, 2026

Supervisor Fain moved to approve the minutes of the April 22, 2026, meeting as presented. Seeing no objection, the Chair so ordered.

4. Public Comment

The following people spoke:
Alex Tsimmerman
Avery
Noah Williams
Harper Nalley
Nick Sattele

Amy Brockhaus
Jonathan Gonzalaz
Joe Kunzler
Robert Feldstein

Briefings

5. TD Briefing No. TD2026-B08

Policy issues and process

This matter was Presented

Mary Bourguignon, Council Staff, briefed the Supervisors and answered questions.

Nick Bowman, Council Staff, briefed the Supervisors and answered questions.

6. TD Briefing No. TD2026-B09

Alternatives for KCTD next steps

This matter was Presented

Mary Bourguignon, Council Staff, briefed the Supervisors and answered questions.

Nick Bowman, Council Staff, briefed the Supervisors and answered questions.

Executive Session: Legal risks of a proposed action as allowed by RCW 42.30.110(1)(i)

No Executive Session was held.

Adjournment

The meeting was adjourned at 2:54 p.m.

Approved this _____________ day of _____________________.

Clerk's Signature

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

KING COUNTY

Signature Report

TDEC Motion

Proposed No. TDECM2026-01.1 **Sponsors**

A MOTION approving a startup support plan for the King County transportation district and authorizing the chair to initiate a process for selection of a law firm.

WHEREAS, the King County transportation district ("the district") has imposed a revenue source through Resolution TD2026-01 that will provide funding over a ten-year period for certain transportation improvements, with revenues coming in 2027, and

WHEREAS, the district must secure staffing support to assist it in undertaking the necessary administrative and oversight tasks to ensure that it is prepared to efficiently administer the revenues and programs to be administered by the district, and

WHEREAS, Section 4 of the district's rules and operational procedures, adopted by Resolution TD2014-01, establishes a four-member executive committee that is authorized to approve contracts for goods and services up to $100,000, review and recommend capital projects to the district's board of supervisors, develop and approve staffing and personnel policies related to the administration of the district, and oversee and administer the daily administration of the district, and

WHEREAS, the district adopted Resolution TD2026-03 authorizing the executive committee to begin the process of seeking contracted staffing support for the district, for consideration and final approval by the district's board of supervisors, and

WHEREAS, the district chair has developed a plan for startup support for the district and desires executive committee approval to proceed with the plan, and

WHEREAS, a component of that plan is to retain legal services to generally perform the services set out in Attachment A to this motion, and

WHEREAS, any resulting services agreement with a selected law firm will be presented to the district's board for approval;

NOW, THEREFORE, BE IT MOVED BY THE EXECUTIVE COMMITTEE OF THE KING COUNTY TRANSPORATION DISTRICT:

SECTION 1. The King County transportation district executive committee approves the startup support plan, which is substantially in the form of Attachment A to this motion, and authorizes the chair to initiate a selection process for a law firm to generally provide the services set out in Attachment A to this motion.

KING COUNTY TRANSPORTATION
DISTRICT EXECUTIVE COMMITTEE
KING COUNTY, WASHINGTON

Claudia Balducci, Chair

ATTEST:

Melani Hay, Clerk of the Board

Attachments: A. KCTD Startup Support Plan

KCTD Startup Support Plan: Select law firm to coordinate KCTD start up with possible assistance from District staff or TLT

July 22, 2026 version

WEEK OF:	Draft Timeline
July 15	Develop qualifications and scope of work
July 28	EC approves startup approach, initial financial management tasks
August 3 August 10 August 17 August 24	Selection process of law firms via roster based on needed qualifications and scope, then recommend law firm
August 31	KCTD Board approves law firm, interfund loan application
September 8	Law firm begins work

Possible Qualifications & Scope of Work for Law Firm

Qualifications

- Experience with startup tasks for special purpose governments
- Ability to provide flexible and cost-effective staffing for a variety of tasks

Administrative Support for KCTD

- Staff meetings for KCTD Board and EC, including developing agendas, preparing meeting materials, and coordinating logistics with Clerk
- Assist KCTD in preparing updated bylaws, updated meeting cadence for EC and Board, updated protocols and procedures
- Assist KCTD in obtaining necessary professional services (clerk, communications, accounting, legal) either via King County or by contract

Financial systems and controls

- Coordinate with KC Treasury Operations/FBOD on financial management protocols and startup tasks

Possible Tasks for District Staff or TLT

Selection Process

- Assist with review of law firm proposals and selection process

Administrative Support for KCTD

- Clerk support
- Assistance with meeting logistics
- Assistance with developing updated bylaws, protocols
- Assistance with KCTD communications plan

Financial systems and controls

- Assistance with coordination with KC Treasury/FBOD

OCTOBER 1: Executive transmits Implementation Plan & ILA

WEEK OF:	Draft Timeline
October 5 October 12	Law firm begins review of Exec's transmitted IP and ILA, and KCTD staffing needs
October 19	EC discusses IP, ILA, and future staffing needs
November 9	KCTD Board discusses IP, ILA, and future staffing needs
November 16 November 23	Ongoing review of IP & ILA
November 30	KCTD Board approves IP, ILA

Coordination of King County vs KCTD responsibilities (Law Firm)

- Assist KCTD Board in reviewing, amending, and adopting the Executive's transmitted Implementation Plan (IP) and ILA
- Develop longer-term staffing plans, as needed, based on the responsibilities that KCTD will retain
- Develop protocols (audits, etc) to review work completed by King County under the ILA
- Determine role of KCTD vs King County, and plans for any KCTD responsibilities, on the CTIP program for local jurisdictions

Coordination of King County vs KCTD responsibilities (District Staff or TLT)

- Assistance with review of Implementation Plan and ILA
- Assistance with developing longer-term staffing plan and coordinating logistics for securing contracted staffing support or other needed assistance
- Assistance with protocols for KCTD review of King County's work
- Ongoing tracking and coordination of program implementation

JANUARY 1: Revenue collections begin (revenues will actually arrive at KCTD late March 2027)

King County

King County Transportation District
Staff Report

Committee:	King County Transportation District Executive Committee		
Agenda Item:	5	**Analyst(s):**	Mary Bourguignon Nick Bowman
Proposed No.:	TDECM2026-01	**Meeting Date:**	July 28, 2026

OVERVIEW

TOPIC: Proposed Motion TDECM2026-01 would approve a startup support plan for the King County Transportation District (KCTD) and authorize the Chair to initiate a process for the selection of a law firm.

LEGISLATION SUMMARY

Following the KCTD's approval of a funding measure (Resolution TD2026-01), it must either be assumed into King County or take the necessary administrative steps to accept and manage revenues from the funding measure as an independent governmental entity.

In anticipation of the KCTD remaining independent at least in the near term, the KCTD Board asked the Executive Committee to launch a process to secure contracted staffing support (Resolution TD2026-03). Proposed Motion TDECM2026-01 would start that process, by approving a startup staffing plan and authorizing the Chair to initiate a process to select a law firm to provide startup support.

KEY ISSUES FROM THE ANALYSIS

A. **Startup staffing proposed timeline.** Attachment A to the Proposed Motion outlines a draft timeline through which a law firm would be selected to provide startup support to the KCTD based on a roster of firms with experience with startup tasks for special purpose governments and with the ability to provide flexible and cost-effective staffing for a variety of tasks. The timeline anticipates that the full KCTD Board would be asked to approve the selected firm by Resolution by the beginning of September.

B. **Startup staffing proposed scope of work.** Attachment A to the Proposed Motion identifies a scope of work for the law firm focused on three areas: (1) administrative support for the KCTD; (2) coordination of financial systems and controls; and (3) coordination of responsibilities with King County, which would focus in particular on the Implementation Plan and Interlocal Agreement (ILA) that the King County Executive has been asked to transmit by October 1 (Resolution TD2026-02).

BACKGROUND & TIMING CONSIDERATIONS

↑ BACK TO TOP

Roads funding measure. In June 2026, the KCTD Board imposed a councilmanic 0.1% sales and use tax for roads-related purposes.[1] Sales tax collections will begin January 1, 2027, and extend for 10 years. The roads funding measure is anticipated to collect an average of $100 million per year, with approximately 12.5% of revenues to be directed to local jurisdictions through a City Transportation Improvement Program (CTIP), and the remainder to be used on King County's unincorporated roads network.

To guide implementation of the roads funding measure, the KCTD Board asked the King County Executive to transmit a proposed Implementation Plan and ILA by October 1, 2026.[2] The Implementation Plan and ILA must be reviewed and approved by both the KCTD Board and the King County Council.

KCTD staffing. With the imposition of a roads funding measure, the KCTD has two options for its future:

1. **Assumption.** The KCTD can be assumed into King County. The King County Executive and Council would take on the rights and responsibilities of the KCTD.[3]

2. **Independence.** The KCTD can remain an independent governmental entity, separate from King County. KCTD would contract with King County to implement the transportation programs to be funded and would carry out its administrative functions through a combination of staff, consultants, and contracts with King County.

Anticipating that the KCTD would remain independent at least in the near term, the KCTD Board asked the KCTD Executive Committee to begin the process of seeking contracted staffing support, for consideration and final approval by the full KCTD Board.[4]

Proposed Motion TDECM2026-01 would start that work by approving a startup support plan for the KCTD through a law firm and would authorize the KCTD Chair to initiate a process to select the law firm.

The Proposed Motion would be voted on by the Executive Committee only; under the KCTD bylaws[5] further Board action would not be required.

---

[1] Resolution TD2026-01 (link)
[2] Resolution TD2026-02 (link)
[3] RCW 36.74 outlines the process by which the KCTD could be assumed into the County.
[4] Resolution TD2026-03 (link)
[5] Resolution TD2014-01 (link)

ANALYSIS

↑ BACK TO TOP

Key Issue A. Startup staffing proposed timeline. Attachment A to Proposed Motion TDECM2026-01 outlines a draft timeline through which the KCTD would select a law firm to provide startup support to the KCTD based on a roster of firms with experience with startup tasks for special purpose governments and with the ability to provide flexible and cost-effective staffing for a variety of tasks. The timeline anticipates these milestones:

- **July 28:** KCTD Executive Committee approves startup staffing approach
- **August 3-24:** Selection process of law firms via roster based on needed qualifications and scope, then recommendation of law firm
- **Week of August 31:** KCTD Board approves law firm by Resolution
- **Week of September 8:** Law firm begins work
- **Week of October 5:** Law firm begins review of Executive's transmitted Implementation Plan and ILA, and reviews KCTD future staffing needs, with the expectation that the KCTD Board would review and potentially amend the Implementation Plan and ILA during October and November and approve them by Resolution prior to the end of the year, and that the Implementation Plan and ILA would inform the KCTD's future staffing needs

Key Issue B. Startup staffing proposed scope of work. As noted above, Attachment A to the proposed Motion identifies the qualifications that would be required for a law firm to be selected to provide startup support to the KCTD. Attachment A also lists a draft scope of work focused on three areas:

1. **Administrative support for the KCTD**
   a. Staff meetings for KCTD Board and Executive Committee, including developing agendas, preparing meeting materials, and coordinating logistics with the Council Clerk
   b. Assist KCTD in preparing updated bylaws, updated meeting cadence for the Board and Executive Committee, and updated protocols and procedures
   c. Assist KCTD in obtaining necessary professional services (Clerk, communications, accounting, legal) either via King County or KCTD contract
2. **Financial systems and controls**
   a. Coordinate with KC Treasury Operations (Finance and Business Operations Division, FBOD) on financial management protocols and startup tasks

3. **Coordination of King County vs KCTD responsibilities**
    a. Assist KCTD Board in reviewing, amending, and adopting the Executive's transmitted Implementation Plan and ILA
    b. Develop longer-term staffing plans as needed, based on the responsibilities that KCTD will retain
    c. Develop protocols (audits, etc.) to review work completed by King County under the ILA
    d. Determine role of KCTD vs. King County, and plans for any KCTD responsibilities, on the City Transportation Improvement Program (CTIP) for local jurisdictions

Attachment A also lists possible tasks for District staff or a TLT staff position to provide coordination between the selected law firm and the KCTD Board. These include:

1. **Selection process**
    a. Assist with review of law firm proposals and selection process
2. **Administrative support for KCTD**
    a. Clerk support
    b. Assistance with meeting logistics
    c. Assistance with developing updated bylaws, protocols
    d. Assistance with KCTD communications plan
3. **Financial systems and controls**
    a. Assistance with coordination with King County Treasury/FBOD
4. **Coordination of King County vs KCTD responsibilities**
    a. Assistance with review of Implementation Plan and ILA
    b. Assistance with developing longer-term staffing plan and coordinating logistics for securing contracted staffing support or other needed assistance
    c. Assistance with protocols for KCTD review of King County's work
    d. Ongoing tracking and coordination of program implementation

ATTACHMENTS

1. Proposed Motion TDECM2026-01and its attachment

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

KING COUNTY

Signature Report

TDEC Motion

Proposed No. TDECM2026-02.1 **Sponsors**

A MOTION authorizing the chair to enter into investment and cash management service agreements with King County.

WHEREAS, under Ordinance 17746, the King County executive services finance director serves as the treasurer for the King County transportation district ("the district"), with the treasury operations section performing the daily treasurer functions for the county and other municipal entities for which King County also provides treasurer services, including the county's investment pool, and

WHEREAS, the district adopted, by Resolution TD 2014-01, bylaws, which include the district's rules and operating procedures, and

WHEREAS, Section 4 of the district's rules and operating procedures, establishes a four-member executive committee that is authorized to approve contracts for goods and services up to $100,000, review and recommend capital projects to the district's board of supervisors, develop and approve staffing and personnel policies related to the administration of the district, and oversee and administer the daily administration of the district, and

WHEREAS, in fulfilling its charge of the daily administration and overseeing of the district, contracting with the county's treasurer to participate in the county's investment pool is an administerial, operational function, in preparation of the district receiving tax revenues in 2027, and

WHEREAS, the investment pool agreement with King County sets forth the terms and conditions by which the county will provide investment services to the district, and

WHEREAS, the cash management agreement with King County sets forth the terms and conditions by which the county will provide cash management services to the district, including authorizing the county to invest the district's idle cash without daily direction from the district, and

WHEREAS, entering into these agreements is a prerequisite for the district to apply for an interfund loan to support district operations until the sales tax revenues, authorized under Resolution TD2026-01, are received and which will be used to repay the interfund loan;

NOW, THEREFORE, BE IT MOVED by the King County Transportation District Executive Committee:

SECTION 1. The chair of the King County Transportation District is authorized to enter into the King County Investment Pool Agreement, Attachment A to this motion, and the King County Cash Management Services Agreement, Attachment B to this motion, on behalf of the King County Transportation District.

KING COUNTY TRANSPORTATION
DISTRICT EXECUTIVE COMMITTEE
KING COUNTY, WASHINGTON

____

Claudia Balducci, Chair

ATTEST:

____

Melani Hay, Clerk of the Board

Attachments: A. King County Investment Pool Agreement Final 7-17-2026, B. King County Cash Management Svc Agreement Final 7-17-2026

KING COUNTY INVESTMENT POOL AGREEMENT

THIS AGREEMENT is made and entered into this day by and between King County, a political subdivision of the state of Washington and home rule charter county and the ________________________________, a special district in the State of Washington (hereinafter referred to as the "District").

WHEREAS the King County is authorized, but not required to offer investment pooling opportunities to districts located in the County; and

WHEREAS the Washington State Legislature has amended RCW 36.29.024 and modified the allowable fees that may be deducted by King County for investment pool expenses; and

WHEREAS King County has carefully considered the benefits and risks of continuing pooling funds for investments; and

WHEREAS King County has determined that continuing to offer pooled investments is a benefit to King County and a benefit to various special districts; and

WHEREAS the District would like to continue having its funds pooled for investment by King County; and

WHEREAS this agreement is authorized by RCW 36.29.020, 36.29.022, and 36.29.024;

NOW, THEREFORE, in consideration of the terms and provisions herein, it is agreed by and between the District and King County as follows:

I. SCOPE OF WORK

A. King County

1. King County agrees to accept for investment a specific amount of funds the District has determined is not necessary for the District's immediate expenditure. King County agrees to combine the designated District funds, King County funds and the funds of other special districts that have agreed to pool funds for investment in the King County Investment Pool (hereinafter "Pool"). The King County Chief Investment Officer, and other individuals duly authorized by King County, with oversight by the King County Finance Director or designee, shall have sole authority and responsibility for determining and executing the specific investments for the Pool, consistent with state law and the investment policies adopted by the King County Executive Finance Committee. King County has also established an Investment Pool Advisory Committee (Ordinance 16280) which shall provide input and advice to the Executive Finance Committee on agenda items that relate to investment policies, practices and fees.

2. King County will be responsible for management of the Pool, including establishing the policies for the Pool, calculating interest earnings, allocating earnings and any realized losses among the District and other participants in the Pool, and determining and collecting Pool fees.

a. Pool Policies

The King County Executive Finance Committee, or its successor, shall adopt and may periodically amend the policies governing the Pool. For reference, the enclosed “Exhibit A” provides a copy of the current adopted policies. Except in an emergency, the Executive Finance Committee, or its successor, will consult with the Investment Pool Advisory Committee at least 60 days prior to adopting or implementing changes to any policies governing the Pool.

b. Interest Earnings

(i) King County shall distribute interest earnings to the District based on the District's average daily cash balance maintained in the Pool as determined by King County. King County shall calculate interest earnings by the 15th day of the following month; however, the actual distribution will be effective as of the first of the month.

(ii) King County shall calculate the monthly interest earnings rate used for Pool distributions using earnings of the Pool on an accrual basis. Earnings will be paid on an actual/actual day basis. For example, a fund maintaining an average balance of $1,000,000 in a 31-day month for which a 3.00% earnings rate is paid will receive $2,547.95 in interest for that month. ($1,000,000 x .03 x 31/365).

c. Pool Fees

(i) King County shall deduct from each District's funds an estimate for the actual expenses incurred for the Pool for the coming year. An estimated annual fee for Pool participation shall be set initially at three and one-half (3.5) basis points (.035%). In accordance with RCW 36.29.024, this fee is intended to reflect King County's estimated direct expense and out-of-pocket cost of administering the Pool, plus a safety margin for unanticipated expenses. This fee shall be applied monthly against the average cash balance of the District and collected monthly by King County, determined as follows: .00035 multiplied by the average cash balance of the District during the month multiplied by the number of days in the month divided by 365. For example, the monthly fee collected from the example above would be $29.73 (1,000,000 x .00035 x 31/365). King County shall reevaluate the annual fee each year based on the rebate provided for the prior year and an estimate of actual expenses for the coming year.

(ii) If the amount of estimated fees collected within King County's fiscal year exceeds the actual expense of administering the Pool for that fiscal year, King County shall rebate such excess amount to the District based on the District's percentage of the total average Pool cash balance for that year. The rebate shall be made within three months of the close of King County's fiscal year. If the estimated Pool fee does not cover all of the actual expenses for the Pool, the County may collect from the District an additional amount that reflects the District's portion of deficiency, in the same manner that it would rebate any excess fees collected.

(iii) At the time King County rebates to the District any excess amount or collects from the District any deficiency amount of fees for administering the Pool for the prior year, King County shall provide an accounting of its actual expenses incurred for the Pool, as actual expenses are defined in RCW 36.29.024.

d. Reporting

King County will provide to the District a monthly statement showing the average cash balance maintained by the District, the Pool earnings rate, the District's earnings, the District's realized losses (if any), and the fee incurred. King County shall also provide a written explanation of the reason(s) for any realized loss.

B. The District

1. Deposits and Investment Instructions

a. If the District does not have a cash management agreement with the County, the District shall determine and provide notice to King County of the specific amount of funds it intends to invest in the Pool. Unless King County adopts a contrary policy, deposit requests must be received before 8:30 am on the day of deposit for same day credit.

b. If the District has a treasurer other than King County, the District shall provide notice of its intent to invest specific funds. Unless King County adopts a contrary policy, the minimum notice shall be at least one (1) working day in advance of wiring funds fewer than five (5) million dollars for investing. This notification will occur by 12 p.m. Pacific Time. Unless King County adopts a contrary policy, two (2) working days notice is required for deposits of five (5) million dollars or more into the Pool.

c. The District shall designate a regular representative and at least one alternate representative who are authorized to direct the District's deposits and withdrawals from the Pool. King County can rely upon the representations of these authorized District representatives concerning the District's investment transactions with King County.

d. If the District does not have a cash management agreement with the County, then any fund that has a negative balance will be assessed an overdraft interest charge for each day that the fund was overdrawn, provided the negative balance was not due to investment losses or an accounting error made by King County. The overdraft interest charge shall be equal to the prime rate charged by King County's banking services provider in effect on the first day of the month in which the overdraft occurred. For example, if a fund had a negative balance of $1 million on December 12 and the prime rate on December 1 was 3.25%, the fund would be charged $89.04 ($1,000.000 x .0325 x 1/365). The overdraft interest charge shall be effective on the day any District fund has a negative balance according to King County's accounting system records.

2. Withdrawals

a. The District understands and agrees that its investment of funds in the Pool is a long-term investment. The District shall not withdraw its funds from the Pool unless they are needed for immediate expenditure.

b. If the District has executed a cash management agreement with King County, the District may withdraw funds from the Pool for immediate expenditure by submitting a warrant or electronic payment request, which will reduce the principal balance in the fund.

c. If the District does not have a cash management agreement with King County, the District shall notify King County in writing when invested funds are needed for immediate expenditure and shall specify the amounts and date the funds are needed. The District shall provide King County prior written notice for withdrawals. Unless King County formally adopts a contrary policy, the minimum notice to be provided for withdrawals is:

i. One (1) working day in advance for amounts up to five (5) million dollars,

ii. Two (2) working days for amounts between five (5) and fifty (50) million dollars, and

iii. Ten (10) working days notice for amounts over fifty (50) million dollars.

This notice shall occur by 12 p.m. Pacific Time on the appropriate day.

II. DISTRICT COVENANTS

The District warrants and covenants that its governing body has duly authorized the District's participation in the Pool. At the time the District authorizes King County to invest its funds in the Pool, the District warrants that those funds are not required for the District's immediate expenditure, consistent with RCW 36.29.020.

III. KING COUNTY IS INDEPENDENT CONTRACTOR

In providing services under this Agreement, King County is an independent contractor, and neither it nor its officers, agents or employees are employees of the District for any purpose.

IV. DISCLAIMER

King County makes no promises, either written or oral, regarding performance of the Pool investments. King County will attempt to obtain the highest yields available within investment policy; however, at times there may be higher yields available in other investment vehicles. The District understands that the Pool will be operated in accordance with Pool policies that focus on preservation of capital, liquidity and a predictable market rate of return, but that no investment is perfectly safe and losses of interest or principal invested may occur through no fault of King County or its representatives.

V. ADMINISTRATION

This agreement shall be administered by the King County Finance Director or designee.

VI. TERM OF AGREEMENT

This Agreement shall be effective on the date it is executed. This Agreement shall renew automatically each year on the District's Anniversary Date (as defined below) until either party terminates per Section VIII below.

VII. AMENDMENTS

No amendment to this Agreement shall be binding unless agreed to in writing by each party.

VIII. TERMINATION

King County may terminate this agreement upon 90 days written notice. The District may terminate this Agreement upon at least 45 days written notice prior to the District's anniversary date. For purposes of this section, the District's Anniversary Date shall be ___________________________. Notwithstanding this requirement, the County in its sole discretion may consider a request for expedited termination under extraordinary circumstances.

VIII. FUND PARTICIPATION EXCEPTIONS

The District may, by written request, exclude certain District funds from the Pool.

IX. ENTIRE AGREEMENT

This Agreement is the complete expression of the terms hereto and any oral representation or understandings not incorporated herein are excluded. Any modifications to this Agreement shall be in writing and signed by both parties. Waiver of any default shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement unless stated to be such through written approval by the County, which shall be attached to the original Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date it is executed.

KING COUNTY

______________________________ ______________________

Ken Guy, Finance Director Dated

DISTRICT

____

Name of District

______________________________ ______________________

By Dated

____

Title

Exhibit "A"

KING COUNTY INVESTMENT POOL POLICIES

KING COUNTY CASH MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this day by and between King County, a home rule charter county in the State of Washington and the ________________________________, a district in the State of Washington (hereinafter referred to as the "District").

WHEREAS, the King County Treasurer has authority to manage funds that are in his or her possession in accordance with Chapter 36.29 RCW; and

WHEREAS, the District has authority to manage funds that are in its possession in accordance with its applicable statutory authority; and

WHEREAS, the District participates in the King County Investment Pool pursuant to a separate Investment Pool Agreement; and

WHEREAS, the District has requested King County to provide cash management services to the District, as set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms and provisions set forth herein, it is agreed by and between the District and King County as follows:

I. SCOPE OF WORK

1. By entering into this Agreement, the District requests that King County provide cash management services for all of the District funds that are invested in the King County Investment Pool. Cash management services shall be separate from the services provided by King County pursuant to the District's Investment Pool Agreement. Cash management services shall also be separate from the services provided under King County's banking agreement in which the District pays for its portion of separately invoiced banking services. Cash management services that shall be provided by King County include, but are not limited to: (a) conducting daily sweeps of the District's cash balances using Zero Balance Accounts and automatically investing such balances in the King County Investment Pool, as specified in Section I(2) below; (b) crediting District bank deposits on date of deposit without regard to check float; (c) for Districts that issue their own warrants, charging District funds when warrants clear rather than when issued; (d) paying District warrants despite inadvertent negative balances of the District; (e) executing wire and ACH payment requests by the District; and (f) distributing property taxes in a manner that ensures the District receives its statutory share of the taxes on the same day the taxes are recorded as paid in King County's property based system records.

2. All District funds designated for cash management services following the effective date of this Agreement, including but not limited to interest earnings on District

funds invested in the King County Investment Pool, shall be automatically and fully invested in the King County Investment Pool. The District warrants that consistent with RCW 36.29.020, any such funds which the District will automatically invest in the Investment Pool pursuant to this Agreement are not required for the District's immediate expenditure.

3. The District agrees to pay to King County a variable fee for providing cash management services based on the average cash balance of the funds designated for cash management services and the overall performance of the King County Investment Pool. The fee shall be paid and collected in arrears in monthly deductions from the District's interest earnings or paid directly from the District funds held in the King County Investment Pool, as specified by King County. King County shall determine the District's Monthly Fee Rate using the following formula: **1.5%** multiplied by the investment pool rate of return for the month. The resulting figure is converted to basis points. The Monthly Fee Rate shall not exceed 8 basis points, regardless of the investment pool rate.

4. King County shall calculate the amount of the District's Monthly Fee in accordance with the following formula: the Monthly Fee Rate multiplied by the District's monthly average fund balance designated for cash management services, multiplied by the number of days in the month divided by the number of days in the year. For example, if the investment pool rate of return for the month is 2%, the Monthly Fee Rate will be .03% (.015 x .02). A fund with a $1,000,000 monthly average balance would pay $25.48 in a 31-day month ($1,000,000 x .0003 x 31/365). The dollar amount of the preceding calculation is capped at the equivalent of 8 basis points.

II. KING COUNTY IS INDEPENDENT CONTRACTOR

In providing services under this Contract, King County is an independent contractor, and neither it nor its officers, agents or employees are employees of the District for any purpose.

III. ADMINISTRATION

This Agreement shall be administered on behalf of King County by the King County Finance Director or designee. This Agreement shall be administered on behalf of the District by ____ or his or her designee.

IV. TERM OF AGREEMENT

This Agreement shall be effective on the date it is executed. This Agreement is ongoing until either party terminates per Section VI below.

V. AMENDMENTS

No amendment to this Agreement shall be binding unless agreed to in writing by each party.

VI. TERMINATION

Either party may terminate this Agreement upon at least 90 days written notice. Termination is effective on the first business day of a month that falls at least 90 days after written notification.

VII. ENTIRE AGREEMENT

This Agreement is the complete expression of the terms hereto and any oral representation or understandings not incorporated herein are excluded. Any modifications to this Agreement shall be in writing and signed by both parties. Waiver of any default shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement unless stated to be such through written approval by the County, which shall be attached to the original Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date it is executed.

KING COUNTY

______________________________ ______________________
Finance Director Dated

DISTRICT

____
Name of District

______________________________ ______________________
By Dated

____
Title

King County

King County Transportation District
Staff Report

Committee:	King County Transportation District Executive Committee		
Agenda Item:	6	**Analyst(s):**	Mary Bourguignon Nick Bowman
Proposed No.:	TDECM2026-02	**Meeting Date:**	July 28, 2026

OVERVIEW

TOPIC: Proposed Motion TDECM2026-02 would authorize the Chair of the King County Transportation District (KCTD) to enter into investment and cash management service agreements with King County.

LEGISLATION SUMMARY

Proposed Motion TDECM2026-02 would authorize the KCTD Chair to enter into investment and cash management service agreements with King County, as the first financial management steps to prepare the district for the start of revenue collections as an independent governmental entity.

The agreements will allow the KCTD to participate in the King County Investment Pool, establish a fund into which district revenues will be deposited, apply for an interfund loan to support district operations until the sales tax revenues are received, and obtain other financial management services from King County.

KEY ISSUES FROM THE ANALYSIS

A. **Investment Pool Agreement**. Attachment A to the proposed Motion includes a template King County Investment Pool Agreement. If the KCTD enters into this agreement, the sales tax revenues authorized under Resolution TD2026-01 would be deposited into a fund within the King County Investment Pool.

B. **Cash Management Services Agreement.** Attachment B to the proposed Motion includes a template King County Cash Management Services Agreement. If the KCTD enters into this agreement, the sales tax revenues authorized under Resolution TD2026-01 would be managed by King County. This agreement would also make KCTD eligible to apply for an interfund loan, if desired, to support its operations until the sales tax revenues authorized under Resolution TD2026-01 are received.

BACKGROUND & TIMING CONSIDERATIONS

↑ BACK TO TOP

Roads funding measure. In June 2026, the KCTD Board imposed a councilmanic 0.1% sales and use tax for roads-related purposes.[1] Sales tax collections will begin January 1, 2027, and extend for 10 years. The roads funding measure is anticipated to collect an average of $100 million per year, with approximately 12.5% of revenues to be directed to local jurisdictions through a City Transportation Improvement Program (CTIP), and the remainder to be used on King County's unincorporated roads network.

To guide implementation of the roads funding measure, the KCTD Board asked the King County Executive to transmit a proposed Implementation Plan and Interlocal Agreement (ILA) by October 1, 2026.[2] The Implementation Plan and ILA must be reviewed and approved by both the KCTD Board and the King County Council.

KCTD financial management structure. In 2014, King County established the KCTD[3] through an ordinance that outlined the purpose and structure of the KCTD as an independent governmental entity to fund and implement transportation improvements. That establishing legislation stated that the King County Executive Finance Director (the Director of the Finance and Business Operations Division (FBOD) of the King County Department of Executive Services) would serve as the treasurer for the KCTD.

The KCTD Board executed an ILA with King County in 2014[4] to cover services needed until the start of revenue collections. If the KCTD is to remain an independent governmental entity after revenue collections begin,[5] it must enter into additional agreements with King County, both through the ILA described above for how district revenues will be spent, and through financial management agreements to set in place the necessary financial protocols and structures.

Proposed Motion TDECM2026-02 would authorize the KCTD Chair to undertake the initial financial management arrangements, by entering into investment and cash management service agreements with King County. The Proposed Motion would be voted on by the Executive Committee only; under Section 4 of the KCTD bylaws[6] further Board action would not be required for the two agreements cited in the Proposed Motion.

---

[1] Resolution TD2026-01 (link)
[2] Resolution TD2026-02 (link)
[3] Ordinance 17746 (link)
[4] Resolution TD2014-04 (link)
[5] The Washington State Department of Revenue will begin revenue collections on January 1, 2027. Revenues are anticipated to arrive at the KCTD by the end of the first quarter of 2027.
[6] Resolution TD2014-02 (link)

ANALYSIS

↑ BACK TO TOP

In anticipation of the KCTD remaining independent, at least in the short term, contracting with King County to participate in the County's Investment Pool and receive cash management services are administrative and operational steps to prepare the district to receive tax revenues in 2027.

King County's FBOD provides investment and cash management services for all King County agencies and many special districts and other public entities, such as fire, school, sewer, and water districts, and other public authorities. By authorizing the Chair to sign the investment and cash management service agreements, KCTD's revenues would be added to those managed by FBOD, as stated in the ordinance that established the KCTD.

Key Issue A. Investment Pool Agreement. Attachment A to the proposed Motion includes a template King County Investment Pool Agreement. If the KCTD enters into this agreement, the sales tax revenues collected under Resolution TD2026-01 would be deposited into a fund within the King County Investment Pool and managed by FBOD as the KCTD's Treasurer.

Revenues in the King County Investment Pool are managed consistent with state law and King County investment policies adopted by the Executive Finance Committee,[7] with input and advice from the Investment Pool Advisory Committee.[8]

Under the agreement, the KCTD would be charged an annual fee based on an estimate of the actual expenses incurred for the Investment Pool for the coming year. An estimated annual fee for Pool participation will initially be set at 3.5 basis points (.035%). In accordance with RCW 36.29.024, this fee is intended to reflect King County's estimated direct expense and out-of-pocket cost of administering the Pool, plus a safety margin for unanticipated expenses. This fee would be applied monthly against the average cash balance of the KCTD and collected monthly by the County.

If the amount of estimated fees collected within the County's fiscal year exceeds the actual expense of administering the Pool for that fiscal year, the County will rebate any excess amount to the KCTD based on the KCTD's percentage of the total average pool cash balance for that year.

---

[7] The King County Executive Finance Committee (EFC) establishes investment policies and oversees the investment portfolio to ensure that specific investments comply with both those investment policies and state law. The EFC meets quarterly. (link)

[8] The King County Investment Pool Advisory Committee (IPAC) provides the County's Executive Finance Committee (EFC) with feedback and advice regarding policies, practices and fee structure for the county's $4.5 billion investment pool. The Committee is comprised of 10 members, including investment professionals and representatives of the entities that participate in the investment pool. (link)

The County will reevaluate the annual fee each year based on the rebate provided for the prior year and an estimate of actual expenses for the coming year.

Key Issue B. Cash Management Services Agreement. Attachment B to the proposed Motion includes a template King County Cash Management Services Agreement. If the KCTD enters into this agreement, FBOD would be authorized to provide cash management services to KCTD, including investing the KCTD's idle cash without daily direction from the KCTD Board, paying KCTD warrants despite negative balances, and executing wire and ACH[9] payment requests, among others.

Under the agreement, the KCTD would pay a variable fee to the County paid in monthly deductions from the KCTD's interest earnings or directly from the KCTD funds held in the County Investment Pool. The KCTD's monthly fee is determined by the following formula: the Monthly Fee Rate (1.5% multiplied by the Investment Pool rate of return for the month, not to exceed 8 basis points) multiplied by the KCTD monthly average fund balance designated for cash management services, multiplied by the number of days in the month divided by the number of days in the year. For example, if the investment pool rate of return for the month is 2%, the Monthly Fee Rate will be .03% (.015 x .02). A fund with a $1,000,000 monthly average balance would pay $25.48 in a 31-day month ($1,000,000 x .0003 x 31/365).

Entering into a Cash Management Services Agreement with King County would also make the KCTD eligible to apply for an interfund loan, if desired, to support its operations until the sales tax revenues authorized under Resolution TD2026-01 are received. An interfund loan application would require approval by the full KCTD Board by Resolution, as well as approval by the King County Executive Finance Committee.

Additional financial management protocols and procedures, such as a possible application for an interfund loan, will be needed in the coming months if the KCTD is to operate as an independent governmental entity.

ATTACHMENTS

1. Proposed Motion TDECM2026-02 and its attachments

[9] ACH = Automated Clearing House, the secure, nationwide electronic network used to transfer funds between different bank accounts.