



RESOLUTION NO. U-11545

1 A RESOLUTION related to Tacoma Water; authorizing Tacoma Water to sign
2 an interlocal agreement to receive Conservation Futures Tax Levy Grant
3 Funds to enable the purchase of approximately 600 acres of property
4 within the Green River Municipal Watershed in King County, WA, to
5 further protect Tacoma Water's Green River Watershed water source
6 and reduce financial impact to downstream customers.

7 WHEREAS the Department of Public Utilities, Water Division ("Tacoma
8 Water") requests authorization to sign an interlocal agreement with King County
9 in order to receive \$1,914,510 in Conservation Futures Tax ("CFT") Levy Grant
10 Funds, and

11 WHEREAS these funds will enable Tacoma Water to purchase
12 approximately 600 acres of forest land within the Green River Municipal
13 Watershed in King County, WA, to further protect the utilities high-quality
14 drinking water source and reduce the financial impact to Tacoma Water's
15 downstream customers, and

16 WHEREAS the Green River Watershed is the source of high-quality
17 drinking water for nearly one million downstream residents and retains some of
18 the last and best salmonid habitat in King County, and

19 WHEREAS Tacoma Water has been working strategically to acquire
20 land in the watershed as part of its Watershed Management Plan under the
21 2018 Water System Plan (SD 5, Measurement 2. Adherence to Watershed
22 Management Plan), and

23 WHEREAS acquiring these lands improves source water protection and
24 control, and
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1 WHEREAS to reduce financial impact of land acquisition on our
2 ratepayers, Tacoma Water applied to and was awarded funds available through
3 King County's CFT Levy Grant Program and are reimbursable and require a
4 25% match from Tacoma Water in the amount of \$638,170, and
5

6 WHEREAS Tacoma Water will pay the full purchase price up front and
7 be reimbursed with the CFT Funds, and
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9 WHEREAS therefore, Tacoma will acquire approximately 600 acres of
10 strategically important forest lands at a substantially reduced cost; Now,
11 Therefore,

12 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

13 That Tacoma Water is authorized to enter into the proposed interlocal
14 agreement and receive funds in the amount of \$1,914,510 in Conservation
15 Futures Tax ("CFT") Levy Grant Funds to enable the purchase of approximately
16 600 acres of forest land within the Green River Municipal Watershed in King
17 County, WA, to further protect Tacoma Waters' Green River Watershed water
18 source and reduce financial impact to Tacoma Water's downstream customers.
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20 The Council of the City of Tacoma is requested to concur in the approval and
21 authorize the proper officers of the City of Tacoma to execute said interlocal
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agreement, substantially in the form on file with the Clerk of the Board, with the final form as approved by the City Attorney's Office.

Approved as to form: _____
Chair
_____/s/_____
Chief Deputy City Attorney Secretary

Clerk Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Keri Burchard-Juarez, Water Superintendent
MEETING DATE: July 23, 2025
DATE: July 8, 2025

GUIDING PRINCIPLE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Guiding Principle(s) is supported by this action.

- | | |
|--|--|
| <input type="checkbox"/> GP1 – Diversity, Equity, Inclusion, Belonging | <input checked="" type="checkbox"/> GP7 – Reliability & Resiliency |
| <input type="checkbox"/> GP2 – Financial Sustainability | <input type="checkbox"/> GP9 – Economic Development |
| <input type="checkbox"/> GP3 – Rates | <input checked="" type="checkbox"/> GP10 – Government Relations |
| <input type="checkbox"/> GP4 – Stakeholder Engagement | <input type="checkbox"/> GP12 – Employee Relations |
| <input checked="" type="checkbox"/> GP5 – Environmental Sustainability | <input type="checkbox"/> GP13 – Customer Service |
| <input checked="" type="checkbox"/> GP6 – Innovation | <input checked="" type="checkbox"/> GP14 – Resource Planning |

SUMMARY:

Tacoma Water is looking for Public Utility Board and City Council support to enter into an interlocal cooperation agreement between the City of Tacoma and King County necessary to receive \$1,914,510 in Conservation Futures Tax (CFT) Levy Grant funds. These funds allow Tacoma Water to purchase approximately 600 acres of forest land within the Green River Municipal Watershed in King County, WA to further protect our high-quality drinking water source and reduce the financial impact to our downstream customers.

BACKGROUND:

The Green River Watershed is the source of high-quality drinking water for nearly 1 million downstream residents and it retains some of the last and best salmonid habitat in King County. Tacoma Water has been working to strategically acquire land in the watershed as part its Watershed Management Plan under the 2018 Water System Plan (SD 5, Measurement 2. Adherence to Watershed Management Plan). Acquiring these lands improves source water protection and control. To reduce the financial impact of land acquisition on our ratepayers, Tacoma Water applied for and was awarded funds available through King County's CFT Levy Grant Program in the amount of \$1,914,510. The CFT Funds are reimbursable and require a 25% match from Tacoma Water in the amount of \$638,170. Tacoma Water will pay the full purchase price up front and be reimbursed with the CFT Funds. Therefore, Tacoma Water will acquire approximately 600 acres of strategically important forest lands at a substantially reduced cost.



Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No

ATTACHMENTS: Interlocal Cooperative Agreement between City of Tacoma and King County

CONTACT:

Primary Contact: Tyler Patterson, Watershed Services Manager, (253) 606-2636
Supervisor's Name: Jerrod Davis, Source Water and Treatment Operations Division Manager, (253) 532-1483



TO: Hyun Kim, City Manager
FROM: Keri Burchard-Juarez, Tacoma Water Superintendent
Jackie Flowers, Director of Tacoma Public Utilities
COPY: Tacoma City Council and City Clerk
SUBJECT: Request Approval of Interlocal Cooperation Agreement between the City of Tacoma and King County – Conservation Futures Tax (CFT) Levy Grant Funds. Council Meeting August 5, 2025.
DATE: July 8, 2025

SUMMARY AND PURPOSE:

Tacoma Water is looking for Public Utility Board and City Council approval to enter an interlocal cooperation agreement between the City of Tacoma and King County necessary to receive \$1,914,510 in Conservation Futures Tax (CFT) Levy Grant funds. These funds allow Tacoma Water to purchase approximately 600 acres of forest land within the Green River Municipal Watershed in King County, WA to further protect our high-quality drinking water source and reduce the financial impact to our downstream customers.

BACKGROUND:

This Department's Recommendation is Based On:

The Green River Watershed is the source of high-quality drinking water for nearly 1 million downstream residents and it retains some of the last and best salmonid habitat in King County. Tacoma Water has been working to strategically acquire land in the watershed as part its Watershed Management Plan under the 2018 Water System Plan (SD 5, Measurement 2. Adherence to Watershed Management Plan). Acquiring these lands improves source water protection and control. To reduce the financial impact of land acquisition on our ratepayers, Tacoma Water applied for and was awarded funds available through King County's CFT Levy Grant Program in the amount of \$1,914,510. The CFT Funds are reimbursable and require a 25% match from Tacoma Water in the amount of \$638,170. Tacoma Water will pay the full purchase price up front and be reimbursed with the CFT Funds. Therefore, Tacoma Water will acquire approximately 600 acres of strategically important forest lands at a substantially reduced cost.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Community Engagement

To protect public health and ensure a safe drinking water supply, it is necessary that the water be maintained at the source in a state of the highest natural quality. That is why we work closely with watershed landowners, including the Muckleshoot Indian Tribe, and other interest groups to assess and prioritize lands for acquisition to improve source water protection and control.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

Leveraging grant funds to acquire land in the Green River Watershed reduces utility capital and operating costs for our retail customers while improving source water protection and control.



Explain how your legislation will affect the selected indicator(s).

Tacoma Water's mission is to provide clean and reliable drinking water as well as provide natural resource stewardship. Leveraging grant funds to reduce utility capital and operating costs helps keep rates stable for all retail customers and ensure Tacoma Water can continue to meet its mission for the long-term and ensure safety and quality of life for the community it serves.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Don't pursue grant funding opportunity		This would be a missed opportunity to leverage grant funds to acquire land to reduce the financial impact to ratepayers and improve source water protection and control.
2.		
3.		

EVALUATION AND FOLLOW UP:

Tacoma Water has a strategic initiative goal to assess prospective land acquisitions within the Green River Watershed. We've completed a comprehensive Geographic Information System (GIS) analysis prioritizing lands for acquisition or protection according to criteria critical to the utility.

STAFF/SPONSOR RECOMMENDATION:

Staff recommends approval of the proposed interlocal cooperation agreement between the City of Tacoma and King County.

FISCAL IMPACT:

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. 4600 Tacoma Water Fund	WTR-00633	5330100	\$2,552,680
2.			
TOTAL			

What Funding is being used to support the expense?

N/A

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES



City of Tacoma

City Council Action Memorandum

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

- Interlocal Agreement between City of Tacoma and King County

**INTERLOCAL COOPERATION AGREEMENT
BETWEEN KING COUNTY AND THE CITY OF TACOMA
FOR CONSERVATION FUTURES-FUNDED
OPEN SPACE ACQUISITION PROJECTS**

THIS INTERLOCAL COOPERATION AGREEMENT is a grant agreement entered into between the CITY OF TACOMA (“City”) and KING COUNTY (“County”), (collectively, “parties”).

Article I. Recitals

On February 27, 1989, the King County Council passed Ordinance 8867, which established a process to allocate the proceeds of the Conservation Futures Fund.

On September 21, 1989, the King County Council passed Ordinance 9128, which established a Conservation Futures Levy Fund to provide for the receipt and disbursement of Conservation Futures tax levy proceeds and established conditions for use of the Fund, including conditions covering allowable costs and expenses.

On July 21, 2003, the King County Council passed Ordinance 14714, authorizing funding allocation procedures for King County Conservation Futures tax levy collections and amending Ordinance 8867, Section 2, as amended.

The Conservation Futures Advisory Committee has recommended an allocation of Conservation Futures proceeds to specific projects from the Conservation Futures Levy Fund following notification to the cities that proceeds were available, provision of an opportunity for the cities to respond and receipt by the committee of requests for funding, all pursuant to Ordinance 8867, as amended by Ordinance 14714.

Starting in 1990 and through 2017, the King County Executive, as authorized by the King County Council, executed Interlocal Cooperation Agreements with the cities of Auburn, Bellevue, Black Diamond, Bothell, Burien, Carnation, Covington, Des Moines, Duvall, Enumclaw, Federal Way, Issaquah, Kenmore, Kent, Kirkland, Lake Forest Park, Mercer Island, Milton, Newcastle, Normandy Park, North Bend, Pacific, Redmond, Renton, Sammamish, Seattle, Shoreline, Snoqualmie and Tukwila, and Vashon Park District. Many of these agreements were amended over time to add new projects.

The existing Interlocal Cooperation Agreements remain in place with an indefinite term for the projects for which Conservation Futures proceeds were disbursed. The agreements require the properties to be maintained as open space in perpetuity.

The King County Council, by Ordinance 18978, has approved a new Interlocal Cooperation Agreement for future projects in order to add terms for the use of bond proceeds for certain projects, achieve consistency between the agreement and the King County Code, and make other technical changes.

Pursuant to chapter 39.34 RCW, the parties agree to the following:

Article II. Definitions

1. Open Space

The term “open space” or “open space land” means: (a) any land area so designated by an official comprehensive land use plan adopted by any city or county and zoned accordingly; or (b) any land area, the preservation of which in its present use would (i) conserve and enhance natural or scenic resources, or (ii) protect streams or water supply, or (iii) promote conservation of soils, wetlands, beaches or tidal marshes,

or (iv) enhance the value to the public of abutting or neighboring parks, forests, wildlife reserves, natural reservations or sanctuaries, or other open space, or (v) enhance recreational activities, or (vi) preserve historic sites, or (vii) preserve visual quality along highway, road, and street corridors or scenic vistas, or (viii) retain in its natural state tracts of land of not less than one acre situated in an urban area and open to public use on such conditions as may be reasonably required by the legislative body granting the open space classification, or (c) any land meeting the definition of “farm and agricultural land” conservation under subsection (8) of RCW 84.34.020. As a condition of granting open space classification, the legislative body may not require public access on land classified under (b) (iii) of this subsection for the purpose of promoting conservation of wetlands.

2. Project

The term “Project” means the specific projects described in Exhibit A or added by follow-on amendments to disburse proceeds pursuant to Section 8.2 of this agreement.

3. Conservation Futures

The term “Conservation Futures” means developmental rights which may be acquired by purchase, gift, grant, bequest, devise, lease or otherwise, except by eminent domain, and may consist of fee simple or any lesser interest, development right, easement, covenant, or other contractual right necessary to protect, preserve, maintain, improve restore, limit future use of, or otherwise conserve open space land, all in accordance with chapter 84.34 RCW and K.C.C. chapter 26.12.

Article III. Purpose of the Agreement

The purpose of this agreement is to create a cooperative arrangement between the City and the County relating to the Project and to define the terms and conditions governing both parties' obligations created by this agreement.

Article IV. Term of Agreement

This agreement shall continue in full force and effect and be binding upon the parties hereto upon execution of the agreement by both parties. The term of the agreement shall be indefinite. The agreement will be terminated if the City is: 1) unable or unwilling to expend the proceeds provided through this agreement; 2) unable or unwilling to satisfy the matching requirements contained in this agreement; and 3) upon reimbursement by the City to the County of all unexpended proceeds provided by the County pursuant to this agreement in the manner and amounts described below and payment of all amounts due pursuant to Section 8.1.

Article V. Conditions of Agreement

Section 5.1 – Project Descriptions. Proceeds available pursuant to this agreement may be used only for the Projects listed in Exhibit A, such substituted Projects as may be approved by the County as set forth below, or Projects added by follow-on amendments to disburse proceeds pursuant to Section 8.2 of this agreement. All County funded Projects must meet open space criteria as described in chapter 84.34 RCW and K.C.C. chapter 26.12.

Section 5.2 – Use of Proceeds. Proceeds provided to the City pursuant to this agreement as well as moneys provided by the City as match pursuant to this agreement may be used only to pay capital costs related to property acquisition and initial site

stabilization activities. Those costs include appraisals, title searches, negotiations, administrative overhead, and the cost of actual acquisition or purchase options, and all other costs meeting the requirements of K.C.C. 26.12.010. The City shall have the property valued by an appraisal performed by an independent state-certified real estate appraiser with a current general real estate appraiser license, and reviewed by an independent state-certified real estate appraiser with a current general real estate appraiser license unless otherwise provided in K.C.C. 26.12.010. In requesting reimbursement of proceeds for the Project, the City shall demonstrate to the County compliance with this Section 5.2. Proceeds utilized pursuant to this agreement may not be used to purchase land obtained through the exercise of eminent domain.

Section 5.3 – Completion/Substitution/Deletion of Projects. The City shall complete the Project described in Section 5.1 of this Agreement within a two-year period from the effective date of the County ordinance appropriating funding for the Project. If the City does not meet this two-year requirement, unless the City demonstrates to the Advisory Committee a compelling reason for continuance of CFT funding for the Project beyond the two-year limit or a reprogramming request is timely approved as provided for below, the County shall be released from any obligation to fund the Project, and the County in its sole discretion may reallocate such proceeds for other projects in other jurisdictions. The City may submit specific requests for project reprogramming to the County for its approval within the two-year period. All projects proposed for reprogramming must meet open space criteria as described in chapter 84.34 RCW and K.C.C. chapter 26.12, be submitted for recommendation by the County's Advisory

Committee or its successor, and be approved by action of the King County Council. All reprogramming requests shall be submitted to the County's Department of Natural Resources and Parks, Open Space Acquisitions Unit, or its successor.

Section 5.4 – Eminent Domain. If any Project requires the exercise of eminent domain to acquire the property, all proceeds provided pursuant to this agreement plus accrued interest on such proceeds shall be reprogrammed as provided in this agreement or repaid to the County.

Article VI. Responsibilities of the City

Section 6.1 – Matching Requirements. Except for acquisitions of property interests in opportunity areas, as defined by K.C.C. 26.12.003, any Project funded by Conservation Futures Levy proceeds shall be supported by the City in which the Project is located with a matching contribution, which is no less than twenty-five percent of the total costs of the Project including the value of the matching contribution provided by the City. This contribution may be in the form of cash, land match with a valuation verified by an appraisal by an independent state-certified real estate appraiser with a current general real estate appraiser license, or the cash value, excluding King County conservation futures contributions, of other open spaces acquired within the previous two years from the date of submittal of the application by the City. The appraisal for land match parcels, to be reviewed by an independent state-certified real estate appraiser with a current general real estate appraiser license, shall have been performed within two years of the application deadline set for the annual allocation of conservation futures tax levy proceeds under which the Property received funding. Properties considered as land match

or cash value of other open space acquisitions should be directly linked to the property under application. Any City match, other than cash, shall require County approval. County approval and County acceptance of the City's match will be transmitted in writing to the City by the County's Designated Representative.

Section 6.2 – Reporting. All proceeds received pursuant to this agreement and accrued interest therefrom will be accounted for separately from all other City moneys, accounts and moneys. Until the property described in the Project is acquired and all proceeds provided pursuant to this agreement have been expended, the City shall provide the reports required by K.C.C. 26.12.035.

Section 6.3 – Disposition of Remaining Proceeds. If the City does not expend all proceeds obligated to be provided through this agreement and no substitute project is requested or approved as to the excess proceeds, such proceeds, if held by the City, shall be refunded to the County. For purposes of this section, "proceeds" shall include all moneys obligated to be provided by the County plus interest accrued by the City on such moneys. Any proceeds in excess of those required to be provided by the County for the actual costs of the Project shall remain with the County for use in its sole discretion.

Section 6.4 – Maintenance in Perpetuity. Except as provided in this Section 6.4, the City, and any successor in interest, agree to maintain properties acquired with proceeds provided pursuant to this agreement as open space in perpetuity and, as required by the County, to include in the real property records notice of this restriction. Projects carried out by the City in whole or in part with funds provided for under the terms of this agreement shall not be transferred or conveyed except by agreement with an agency or

nonprofit organization as defined in K.C.C. 26.12.003, which shall provide that the land or interest in land shall be continued to be used for the purposes of K.C.C. chapter 26.12, and in strict conformance with the uses authorized under chapter 84.34 RCW.

The City shall not change the status or use of properties acquired with proceeds provided pursuant to this agreement unless the City provides equivalent lands or cash in exchange for the land to be changed to a different use, or a combination of land and cash reimbursement is provided. The land shall be valued in its changed status or use, and not based upon its value as open space, and the replacement land or payment amount must be approved by the County. If requested by the County, at its own cost the City will provide the County an appraisal performed within the previous year by an independent state-certified real estate appraiser with a current general real estate appraiser license. The value established by the appraisal will not be binding on the County. If the County approves replacement land, the City shall complete the replacement within one year of approval. If the County approves cash reimbursement, the City shall pay the County within 90 days of approval.

Section 6.5 – Tax Covenants. The City acknowledges that proceeds provided by the County for a Project may be proceeds of tax-exempt bonds (the “Bonds”) subject to certain requirements of the Internal Revenue Code of 1986, as amended (the “Tax Code”), including any implementing regulations and any administrative or judicial interpretations. The City will comply with Tax Code requirements, including those set forth in Exhibit B, which is incorporated herein, applicable to Bond-financed Projects

identified in Exhibit A, which is incorporated herein, as well as Bond-financed Projects identified in subsequent amendments to this agreement.

Article VII. Responsibilities of the County

Subject to the terms of this agreement, the County will provide Conservation Futures Tax Levy proceeds in the amounts and for the Projects identified in Exhibit A as well as in those amounts and for those Projects identified in subsequent amendments to this agreement. The City may request additional proceeds; however, the County has no obligation to provide proceeds to the City in excess of the amount shown in Exhibit A. The County assumes no obligation for future support of the Project described herein except as expressly set forth in this agreement.

Article VIII. Other Provisions

Section 8.1 – Hold Harmless and Indemnification.

A. The County assumes no responsibility for the payment of any compensation, fees, wages, benefits or taxes to or on behalf of the City, its employees, contractors or others by reason of this agreement. The City shall protect, indemnify, and save harmless the County, its officers, agents and employees from any and all claims, cost and whatsoever occurring or resulting from: 1) the City's failure to pay any compensation, fees, wages, benefits, or taxes; and 2) the supplying to the City of work, services, materials or supplies by City employees, agents, or other contractors, or suppliers in connection with or in support of performance of this agreement.

B. The City further agrees that it is financially responsible for and will repay the County all indicated amounts following an audit exception, which occurs due to the negligent or intentional acts of this agreement by the City, its officer, employees, agents, or representatives arising out of the performance of the terms of this agreement.

C. The City shall protect, indemnify, and save harmless the County from any and all costs, claims, judgments, or awards of damages, arising out of or in any way resulting from the negligent acts or omissions of the City, its officers, employees, or agents in the performance of its obligations under the terms of this agreement. For the purposes of this agreement only, the City agrees to waive the immunity granted it for industrial insurance claims pursuant to Title 51 RCW to the extent necessary to extend its obligations under this paragraph to any claim, demand, or cause of action brought by or on behalf of any employee, including judgments, awards, and costs arising therefrom including attorney's fees.

D. To the extent permitted by law, and except to the extent caused by the sole negligence of the County, the City agrees, at its expense, to pay, and to indemnify and hold the County, its officers, employees or agents harmless of, from and against, any and all claims, damages, demands, losses, liens, liabilities, penalties, fines, taxes, lawsuits, and other proceedings and costs and expenses (including attorneys' fees) of every conceivable kind, character or nature whatsoever, arising directly or indirectly from or out of, or in any way connected with any examination or audit of any Bond issued to finance or refinance costs of any Bond-financed Project identified in Exhibit A as well as Bond-financed Projects identified in subsequent amendments to this agreement by the

Internal Revenue Service, or any determination by the Internal Revenue Service or a court of competent jurisdiction that the interest on any such Bond is or should be subject to federal income taxation; provided, however, that the City shall not be liable for any payment made by the County with respect to any settlement of any such examination or audit, or of any other proceeding related thereto, entered into without the consent of the City.

Section 8.2 – Amendment. The parties reserve the right to amend or modify this agreement. Amendments or modifications to disburse proceeds approved by the County Council must be by written instrument signed by the parties substantially in the form of Exhibit C. Other amendments also must be approved by the respective City and County Councils.

Section 8.3 – Contract Waiver. No waiver by either party of any term or condition of this agreement shall be deemed or construed to be a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or different provision of this agreement. No waiver shall be effective unless made in writing.

Section 8.4 – Entirety. This agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated are excluded. This agreement merges and supersedes all prior negotiations, representations and agreements between the parties relating to the Project and constitutes the entire agreement between the parties. The parties recognize that time is of the essence in the performance of the provisions of this agreement.

IN WITNESS WHEREOF, authorized representatives of the parties hereto have signed their names in the spaces set forth below:

KING COUNTY

CITY OF TACOMA

Dow Constantine
King County Executive

Date: _____
Acting under the authority of
Ordinance 19646

Approved as to form:

Leesa Manion
King County Prosecuting Attorney

[NAME]
Mayor

Date: _____
Acting under the authority of
Ordinance _____

Approved as to form:

[NAME]
City Attorney

EXHIBIT A

2024 AND 2025 CONSERVATION FUTURES LEVY PROCEEDS CITY OF TACOMA ALLOCATION

Jurisdiction	Project Name	Allocation
Tacoma (Tacoma Water)	Upper Green River Property Acquisition (2024 allocation)	\$1,466,760
Tacoma (Tacoma Water)	Upper Green Land Acquisition 2025 (2025 allocation)	\$447,750
TOTAL		\$1,914,510

Project Description:

Project #1145698: Tacoma Water – Upper Green River Property Acquisition (2024 Allocation, \$1,466,760)

In this regionally significant project, Tacoma Water seeks to conserve property in the Upper Green River Watershed to preserve water quality. The agency will acquire five parcels comprising approximately 600 acres within one-half mile of the Green River mainstem. This acquisition will enhance habitat connectivity, support ecosystem services, remove inholdings, allow road removal, and expand Tacoma Water's footprint in a mixed-multiple-use watershed. This project will allow comprehensive and unified management in this area, and secure critical Chinook spawning habitat when fish passage is restored at Howard Hanson Dam in 2030. Match comes from the Tacoma Water Capital Fund. Project funding was authorized in King County Ordinance 19712.

Is this a Bond-financed Project? No

Project #1145698: Tacoma – Upper Green Land Acquisition 2025 (2025 Allocation, \$447,750)

This 2025 award is related to the 2024 Allocation described above. This project was funded with 2024 CFT dollars, but the appraisal came in higher than expected, and additional funding is required to complete this acquisition. Project funding was authorized in King County Ordinance 19861.

Is this a Bond-financed Project? No

EXHIBIT B

Tax Covenants

The City acknowledges that proceeds provided by the County for the Project may be proceeds of Bonds subject to certain requirements of the Tax Code. The City will take all actions with respect to the Project, and proceeds received for the Project, necessary to assure the exclusion of interest on the Bonds from the gross income of the owners of the Bonds, including but not limited to the following:

(a) Expenditure of Proceeds. The City will expend proceeds of the Bonds received from the County for capital expenditures for federal income tax purposes within the meaning of Section 1.150-1(b) of the Tax Code. Bond proceeds may be expended to pay, or reimburse the City for, Project capital expenditures or to repay interim indebtedness incurred for capital expenditures of the Project.

(b) Notice. The City will provide notice of action taken or planned to issue any tax-exempt indebtedness, including bonds, bank loans, or other tax-exempt indebtedness, to finance Project costs.

(c) Treatment as Grant.

- (1) The City is a governmental entity possessing substantial taxing, eminent domain and police powers and constituting a political subdivision of the State.
- (2) The City is not acting as an agent of the County.
- (3) The grant of proceeds for the Project does not impose any obligation or condition to directly or indirectly repay any amount to the County (excluding obligations or conditions intended solely to assure expenditure of the transferred moneys in accordance with the governmental purpose of the transfer).
- (4) The grant is required to be used for open space as required under Article II but does not impose any conditions relating to the use of the Project or other property of the City by the County or any of its agencies or authorities.
- (5) This agreement is a grant agreement.

(d) Limitations on Disposition of Project. The City will not sell or otherwise dispose of any components of the Project without prior approval by the County and compliance with timeframes for completion of land replacement or cash reimbursement as provided in Section 6.4.

(e) Record Retention. The City will retain its records of all accounting and monitoring it carries out with respect to the Bond proceeds received and with respect to the Project for at least three years after the Bonds mature or are redeemed as provided in the amendment granting such Bond proceeds to the City.

(f) Cooperation. The City will provide tax certificates when and as requested by the County or County's bond counsel in order to establish or maintain the tax-exempt status of the Bonds. The City will cooperate in any audit of the Bonds by the Internal Revenue Service, including disclosure of any record, contracts and other materials relating to the Bond proceeds received by the City and the Project.

EXHIBIT C

**AMENDMENT TO THE CONSERVATION FUTURES
INTERLOCAL COOPERATION AGREEMENT
BETWEEN KING COUNTY AND THE CITY OF [CITY NAME]
FOR OPEN SPACE ACQUISITION PROJECTS**

The King County Council, through Ordinance 9128, has established a Conservation Futures Levy Fund and appropriated proceeds to King County and certain cities. This amendment is entered into to provide for the allocation of additional proceeds made available for open space acquisition.

THIS AMENDMENT is entered into between the CITY OF _____ and KING COUNTY, and amends and attaches to and is part thereof of the existing Interlocal Cooperation Agreement entered into between the parties on the ____ day of (Month), (Year), as previously amended.

The parties agree to the following amendment:

The Interlocal Cooperation Agreement is hereby amended by adding Exhibit 1, attached hereto.

In all other respects, the terms, conditions, duties and obligations of both parties shall remain the same as agreed to in the Interlocal Cooperation Agreement as previously amended.

Once fully executed, this Amendment shall be incorporated into the existing Interlocal Cooperation Agreement as if fully set forth, and shall become Amendment ____.

IN WITNESS WHEREOF, authorized representatives of the parties hereto have signed their names in the spaces set forth below:

KING COUNTY

CITY OF _____

Dow Constantine
King County Executive

Mayor

Date: _____

Date: _____

Approved as to form:

Approved as to form:

Leesa Manion

[NAME]

King County Prosecuting Attorney

City Attorney

EXHIBIT 1

**[YEAR] CONSERVATION FUTURES LEVY PROCEEDS
CITY OF [CITY NAME] ALLOCATION**

Jurisdiction	Project Name	Allocation
[City Name]	[Project Name]	[Amount]
TOTAL		[Amount]

Project Description:

Project # [Project Number]: [City Name] – [Project Name]
[Project Description]

Is this a Bond-financed Project?