1. March 18, 2026

    Documents:

        20260318 SPC FCZD PACKET.PDF

Board of Supervisors Executive Committee

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

SPECIAL MEETING AGENDA

Meeting Date: March 18, 2026
Time: 9:30 A.M.
Place: Pierce County Council Chambers
1501 Market Street, Tacoma, WA

Agenda Items:

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Public Comment

Action

5. Resolution No. 2026-4, A Resolution of the Pierce County Flood Control Zone District, Relating to District Flood and Stormwater Projects, and Approving an Interlocal Agreement Between the District and the City of Sumner for District Funded Projects.

6. Resolution No. 2026-5, A Resolution of the Pierce County Flood Control Zone District, Relating to District Flood and Stormwater Projects, and Approving an Interlocal Agreement Between the District and the City of Gig Harbor for a District Funded Project.

7. Resolution No. 2026-6, A Resolution of the Pierce County Flood Control Zone District Board of Supervisors Amending Budget Resolution No. 2025-5 of the Pierce County Flood Control Zone District Board of Supervisors.

8. Resolution No. 2026–7, A Resolution of the Pierce County Flood Control Zone District Board of Supervisors Amending the District's Operating Rules.

Discussion

9. Discussion of Potential Amendment to Resolution No. 2026-2, A Resolution of the Pierce County Flood Control Zone District Board of Supervisors Amending the Fund Balance Policy Pierce County Flood Control Zone District.

Information

10. Executive Director Report
    a. Advisory Committee
    b. Lower Puyallup Task Force

11. District Administrator Report
12. Adjourn

RESOLUTION NO. 2026-4

A Resolution of the Pierce County Flood Control Zone District Relating to District Flood and Stormwater Projects and Approving an Interlocal Agreement Between the District and the City of Sumner for District Funded Projects.

Whereas, the City of Sumner's long-term vision for addressing the flooding and habit challenges of the Lower White River includes four projects on the Lower Green River; and

Whereas, Resolution No. 2025-5, approved by the Pierce County Flood Control Zone District (District) on October 8, 2025, approved funding to be expended in 2026 for four projects in the City of Sumner including the Lower White River, RM 2.5-4.2, 24th Street project (SUM-1), the Sumner Pointbar (SUM-2), the Stewart Street Setback (SUM-3), and the Stewart Road Bridge (SUM-4); and

Whereas, Resolution No. 2025-5 authorized construction funding for SUM-1 and SUM-4 and land acquisition funding for SUM-2 and SUM-3; and

Whereas, the District and the City are authorized to enter into this Agreement pursuant to RCW 39.34.080 and RCW 86.15.080(11); **Now, therefore,**

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

Section 1. The Board of Supervisors approves the "Interlocal Agreement Between the Pierce County Flood Control Zone District and the City of Sumner" attached as Exhibit A to this resolution for District Funded Projects.

ADOPTED this ____ day of_____, 2026.

ATTEST:

PIERCE COUNTY FLOOD CONTROL ZONE DISTRICT
Pierce County, Washington

Brenna Price
Clerk of the Board

Dave Morell
Flood Control Zone District Chair

INTERLOCAL AGREEMENT BETWEEN THE PIERCE COUNTY FLOOD CONTROL ZONE DISTRICT AND THE CITY OF SUMNER FOR FOR DISTRICT GRANT FUNDED PROJECTS

THIS INTERLOCAL AGREEMENT FOR PIERCE COUNTY FLOOD CONTROL ZONE DISTRICT GRANT FUNDED PROJECTS ("Agreement") is made and entered into by and between the City of Sumner, a Washington municipal corporation, hereinafter referred to as the "Grantee," and the Pierce County Flood Control Zone District, a Washington quasi-municipal corporation, hereinafter referred to as the "District." The District and the Grantee are individually a "Party" and collectively the "Parties." This Agreement shall be effective upon execution by the Grantee and the District.

RECITALS

A. The District's Board of Supervisors has adopted Resolution No. 2025-5, the District's 2026 budget resolution, which lists the included Capital Improvement Projects that will be funded by the District in 2026.

B. Through a competitive process, the Grantee was awarded up to $9.5 million dollars for four projects in the City of Sumner, identified in the 2026 Budget Resolution and further identified and described in **Attachment A**, attached and incorporated herein.

C. The District desires to provide funding for the Projects consistent with the 2026 Budget Resolution and the terms and conditions of this Agreement.

D. Pursuant to Chapter 39.34 RCW and RCW 86.15.080, the Parties desire to enter into this Agreement to establish the terms and conditions of District providing grant funding for the Projects.

AGREEMENT

In furtherance of the foregoing and in consideration of the following terms and conditions, the Parties agree as follows:

1. Definitions. In this Agreement, the following terms shall have the following meanings.

1.1 "Board" means the Board of Supervisors of the District.

1.2 "District Administrator" means the Director of the Pierce County Public Works and Utilities Department, or designee.

1.3 "Funds" shall mean the funds authorized for payment by the District to the Grantee for expenditures on the Projects, as set forth in the 2026 Budget Resolution and any subsequent budget resolutions or resolutions approving modifications to funds authorized or authorizing additional funds for the Projects.

1.4 "Projects" collectively means the Lower White River – RM 2.5-4.2 (24th Street) project (SUM-1); the Lower White River – Sumner Pointbar project (SUM-2); Lower White River -Stewart Setback project (SUM-3); and the Lower White River – Stewart Road Bridge project (SUM-4), all as further identified and described in **Attachment A**, and as listed in 2026 Budget Resolution.

1.5 "Project" shall mean any individual project included within the defined term **"Projects."** References in this Agreement to a "Project" mean one of the Projects, as the context requires.

1.6 "2026 Budget Resolution" means District Resolution No. 2025-5.

2. Term of Agreement—Termination of Agreement—Survival of Agreement.

2.1 This Agreement shall be effective upon execution by both Parties and shall remain in effect until the earliest of the following: (a) termination pursuant to Section 2.2, (b) termination pursuant to Section 2.3, or (c) termination for particular Projects for lack of funding authorization pursuant to Section 8.

2.2 Either Party may terminate this Agreement for cause by providing written notice of termination to the other Party. Notice by the Grantee shall be provided to the District Administrator, and notice by the District shall be provided to the Public Works Director of the Grantee. For purposes of this section, "For Cause" shall be limited to the following causes: (1) material breach by either party that is not cured within fourteen (14) days of written notice specifying the breach in reasonable detail; (2) misuse of funds that is inconsistent with the approved budget, scope of work of any Project or in violation of applicable law and not cured or refunded within fourteen (14) days of written notice specifying the misuse in reasonable detail; (3) failure to perform any material deliverable and such failure is not cured within fourteen (14) days of written notice specifying the failure in reasonable detail; (4) legal or regulatory non-compliance by either Party who becomes subject to any investigation, enforcement action or legal proceeding that materially impairs its ability to perform its obligations under this agreement; or (5) insolvency by either Party involving all or substantially all of the Party's assets. For causes (1), (2), or (3) that cannot reasonably be cured within fourteen (14) days, Grantee shall, within that fourteen (14) day period, commence actions reasonably calculated to cure the cause and thereafter diligently pursue such cure to completion; provided, however, that the cause must be fully cured within sixty (60) days after Grantee's receipt of the notice of termination. .

2.3 This Agreement may be terminated without notice upon mutual written agreement of the Parties

2.4 Any provision of this Agreement that, by its nature, is intended to continue after termination shall survive termination and remain in effect, including without limitation Sections 10, 11, and 12.

2.5 The Parties agree that the Interlocal Agreement Between the Pierce County Flood Control Zone District and the City of Sumner for District Funded Project (Finding Only), executed Grantee on November 6, 2018, and the District on December 19, 2018, is hereby terminated and replaced by this Agreement.

3. Design, Procurement, and Construction—Permits and Approvals—Submission of Documents. The Grantee shall design, procure, and construct the Projects in compliance with all applicable laws, rules, and regulations, and shall obtain and be responsible for all approvals and permits for the Projects. Prior to bidding of each of the Projects, the Grantee shall submit copies of the bid documents, drawings, plans, and specifications for that Project to the District Administrator. Failure to timely submit the required documents for a Project shall not invalidate the bidding of that Project, but shall be a material breach of this Agreement under Section 2.2 and a basis for withholding Funds under Section 7.

4. Project Work and Funding Sources. The descriptions and schedules for the Projects are stated in **Attachment A**. When requested by the District Administrator, the Grantee shall submit further descriptions of the work and schedule information for the Projects, a description of the funding sources for the Projects, and a schedule of the expected receipt of all funds for the Projects.

5. Payment and Use of Funds. The District shall pay Funds to the Grantee only for Projects-related expenses that are consistent with the "Scope of Work for the FCZD Allocation" in **Attachment A**. The District will make payments pursuant to a procedure and schedule developed by the District Administrator, with reasonable requests by the Grantee considered.

6. Funding Limitation. The Parties acknowledge and agree that the District is only responsible up to the amount the District awarded Grantee for each Project. The financial obligations of the District pursuant to this Agreement are limited to payment of the Funds pursuant to this Agreement for each of the Projects. The Funds were awarded based on the estimated cost of the Projects, and the District shall not be responsible or liable for any Project-related expenses or costs in excess of the Funds authorized for a Project, regardless of whether the actual cost of that Project is greater than its estimated cost.

7. Withholding or Denial of Funds. The District reserves the right to withhold or deny payment of Funds for failure of the Grantee to comply with this Agreement, failure of any of the Projects to meet the descriptions and schedules

in **Attachment A** or in the further descriptions and schedules provided pursuant to Section 4, or failure of any of the Projects to conform substantially to the bid documents, drawings, plans, and specifications.. Should any identified failure be remedied by Grantee, District will then release the withheld or denied Funds, subject to the terms of this Agreement including without limitation Section 8.

8. Multi-Year Projects—Funding Duration—Automatic Termination. The Projects are intended to be constructed or completed in two or more budget years; however, the District's obligation to provide Funds for any subsequent budget year is conditioned upon appropriation of Funds by the District for that subsequent budget year. If the District appropriates Funds for subsequent budget years, the appropriated Funds and associated scopes of work will be added to this Agreement through an amendment. If the District approves Funds for a Project in one budget year but fails to approve Funds for that Project in a subsequent budget year, (a) this Agreement shall remain in force for the Project only until the District has paid all Funds appropriated for the Project in the previous budget year (to the extent Grantee submits for reimbursement by March 31 of the subsequent year), and (b) this Agreement shall remain in force for all other Projects that have received an appropriation of Funds for the subsequent budget year. This Agreement shall terminate in full automatically on March 31 of the first budget year in which the District has not authorized any Funds for the Projects.

9. Project-Related Expenses—Reimbursement. The District's budget year ends December 31 of the designated calendar year. In order to be eligible for reimbursement, Project-related expenses must be incurred during a budget year for which the District has appropriated Funds, and Grantee must request reimbursement for the expenses no later than March 31 of the following budget year. The Grantee may, however, submit to the Board, no later than December 1 of a budget year, a written request for an extension of one year in order to incur the expenses of that current budget year, which the District will consider in its sole discretion

10. Reports—Records Retention—Inspections and Audit.

10.1 The Grantee shall prepare and file written reports describing its request for, and expenditure of, the Funds no less than quarterly, or more frequently, as reasonably required by the District Administrator. The Grantee shall prepare and file a final report after final distribution of Funds for each Project, using the progress report form provided by the District Administrator. The Grantee will make a brief presentation to the Board at a regularly scheduled meeting each year this Agreement is in effect.

10.2 The Grantee shall retain all records and documents relating to the Funds for a minimum of seven (7) years after final payment of Funds by the

District, unless required by law to be retained for a longer period, in which case the longer period shall apply.

10.3 Upon reasonable notice, the Grantee shall make all records and documents relating to the expenditure and application of the Funds available to the District Administrator for inspection, review, and audit.

10.4 Following an audit of the payment of the Funds, the Grantee shall repay to the District all amounts that the District determines were improperly paid to the Grantee, to the extent those payments are found by the District to have been caused by the negligent or intentional acts of the Grantee, its officers, officials, employees, agents, contractors, volunteers, or assigns.

11. Ownership and Maintenance. The Parties agree that the Grantee is solely responsible for the acquisition, design and construction of the Projects. This District shall not own the Projects, and shall have no obligation or responsibility for the acquisition, design, construction, operation, or maintenance of the Projects.

12. Hold Harmless and Indemnification.

12.1 To the maximum extent permitted by law, each Party shall defend, indemnify and hold harmless the other Party, and all of its officers, officials, employees, agents, contractors and volunteers, from any and all claims, injuries, damages, losses or suits, including attorney fees, arising out of or resulting from any negligent acts, errors, omissions of the indemnifying Party and its officers, officials, employees, agents, contractors and volunteers in performing obligations under this Agreement or in implementing the Projects. However, if any such injuries and damages to persons or property are caused by or result from the concurrent negligence of the District or its officers, officials, employees, agents, contractors and volunteers, and the Grantee or its officers, officials, employees, agents, contractors and volunteers, each Party's obligation hereunder applies only to the extent of the negligence of such Party or its officers, officials, employees, agents, contractors, or volunteers.

12.2 The foregoing indemnity is specifically and expressly intended to constitute a waiver of each Party's immunity under industrial insurance, Title 51 RCW, as respects the other Party only, and only to the extent necessary to provide the indemnified Party with a full and complete indemnity of claims made by the indemnitor's employees. This waiver has been mutually negotiated by the Parties.

13. Amendment. This Agreement may be modified by written instrument approved by the Grantee's governing body and the Board and signed by the authorized representatives of the Parties.

14. 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.

15. No Third Party Rights. Nothing in this Agreement shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party.

16. 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 Projects and constitutes the entire agreement between the Parties.

17. Counterparts. This Agreement may be signed in counterparts and, if so signed, shall be deemed one integrated document.

18. Governing Law; Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. In the event of a dispute, such dispute shall be litigated only in the Superior Court of Pierce County, Washington.

19. Severability. The invalidity or unenforceability of any provision in this Agreement shall not affect the validity or enforceability of any other provisions that can be given effect without the offending provision.

20. Administration. This Agreement will be jointly administered by the Grantee and the District. This Agreement does not create any separate legal or administrative entity. The District Administrator and the Public Works Director for Grantee, respectively, shall receive and give all notices, approvals, reports and documents under this Agreement.

21. Financing; Budget. This Agreement does not contemplate joint financing of the activities within its scope, nor does it contemplate a joint budget.

22. Property Acquisition and Disposition. This Agreement does not contemplate the joint acquisition of property by the parties. At termination, each party will remain the sole owner of its own property.

23. Recording. In accordance with RCW 38.34.040, this Agreement shall be filed with the Pierce County Auditor or listed on the web sites of the Parties prior to its effective date.

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

GRANTEE:
CITY OF SUMNER

_____
Name: _____
Title: _____

Date: _____

Attested to:

_____
[name/title]

Date: _____

PIERCE COUNTY FLOOD CONTROL ZONE DISTRICT:

_____
Name: _____
Title: _____

Date: _____

Attested to:

_____
[name/title]

Date: _____

Approved as to Form:

_____
Attorney

Scope of Work for the City of Sumner's Four Projects Receiving FCZD Capital Improvement Plan Allocation.

Project ID Number: SUM-1

Project Name on the FCZD Submission: Lower White River, RM 2.5-4.2 (24th Street)

Project Name on the FZCD Approved Budget (Resolution 2025-5): Lower White River, RM 2.5-4.2 (24th Street)

Jurisdiction: City of Sumner

FCZD 2026 Allocation: $547,570 for Land Acquisition, $5,000,000 for 2026 Construction.

Budget: The total project cost is $52,681,585.19. Construction costs are estimated at $16.2 million.

Location: The Left Bank of the White River between River Mile 2.5 and 4.2.

Schedule: The City of Sumner is expected to do construction between 2026 – 2028.

Total Project Description:
This Lower White River project reduces flood risk in the Sumner Pacific Manufacturing Industrial Center while also restoring critical salmon habitat. The project will connect over 200 acres of floodplain to the river and add 2 miles of in-water habitat for salmon. Critical regional trail and utility infrastructure is also being relocated outside of the floodplain, including Power, Gas, Water, and Sewer. This funding request will help pay for earthwork, large wood installation, trail relocation, and PSE Power relocation.

Scope of Work for the FCZD Allocation:
The FCZD allocation will be spent on earthwork (channel/floodplain grading, forested berm construction, and channel connections), large wood installation (approximately 130 structures total), trail relocation (approximately 2.5 miles), and PSE Power relocation (movement of transmission and distribution lines out of the floodplain).

Acquisiton funds will be used to purchase land which is adjacent to in-river large wood structures, allowing for easier short term construction access versus a temporary bridge over the river. In addition, acquisition will allow land access for future maintenance to both existing flood infrastructure and new log structures.

Assumptions:
- City of Sumner is responsible for all permitting and regulatory obligations for the project.
- City of Sumner will follow procurement requirements for public funding.
- Progress reports will be provided no less than quarterly.

Deliverables:
- The reimbursement request will include documentation for the contractor's time, equipment, and materials.
- Quarterly Progress reports

- Once the FCZD's allocation has been expended, submit a final report that includes a written description of work completed with FCZD funds, photos, as-builts, and a final reimbursement request.

Project ID Number: SUM-2

Project Name on the FZCD Submission: Lower White River - Sumner Pointbar RM 3.9-4.5 RB

Project Name on the FZCD Approved Budget (Resolution 2025-5): Lower White River - Sumner Pointbar

Jurisdiction: City of Sumner

FCZD 2026 Allocation: $100,000 for Land Acquision, $242,450 for Planning/Design

Budget: The total project cost is $44,730,216.50. Acquisition costs are estimated at $18,481,850.00

Location: North of 16th St E in Sumner, on the right bank of the White River between RM 3.9 - 4.5.

Schedule: Acquisition in 2026.

Total Project Description: The project will reconnect 25 acres of floodplain to the White River, construct a floodwall along 16th Street, and create 1/4 mile of new in-water habitat. The floodplain is being lowered to reconnect and to increase floodplain capacity. The floodwall will block the flow path into the manufacturing industrial center, pushing more water into the downstream 24th street project. The new habitat will provide rearing for ESA-listed salmon. The property acquired for the project will relocate businesses/residents from the floodplain.

Scope of Work for the FCZD Allocation: FCZD funds will be spent to acquire one property, including paying for right-of-way agent negotiations, title reports, document preparation (Boundary Line Adjustments, etc.), and property clean-up post-acquisition.

Assumptions:

- City of Sumner is responsible for all permitting and regulatory obligations for the project.
- City of Sumner will follow procurement requirements for public funding.
- Progress reports will be provided no less than quarterly.

Deliverables:

- The reimbursement request will include documentation for the contractor's time, equipment, and materials.
- Quarterly Progress reports
- Once the FCZD's allocation has been expended, submit a final report that includes a written description of work completed with FCZD funds, photos, as-builts, and a final reimbursement request.

Project ID Number: SUM-3

Project Name on the FZCD Submission: Lower White River - Stewart Setback RM 4.4-4.9

Project Name on the FZCD Approved Budget (Resolution 2025-5): Lower White River - Stewart Setback

Jurisdiction: City of Sumner

FCZD 2026 Allocation: $3,000,000 for 2026 for Land Acquisition, $270,000 for Planning/Design

Budget: The total project cost is $14,770,000. Acquisition costs are estimated at $2,900,000.

Location: Left bank of the White River, south of the Stewart Road Bridge from RM 4.9-4.4.

Schedule: Acquisition in 2026.

Total Project Description: The portions of property within the shoreline buffer will be acquired along the left bank of the White River. Once acquired, the existing levee and revetment will be removed, and a floodwall will be installed back ~200 feet. The floodplain will be lowered and reconnected, increasing channel storage and connecting the floodplain underneath the Stewart Road Bridge to the Countyline setback. This project will increase channel capacity and take pressure off the opposing bank, which has experienced erosion. The immediate grant request will help to acquire the property and complete the design.

Scope of Work for the FCZD Allocation: FCZD funds will be spent to acquire three properties, including paying for right-of-way agent negotiations, title reports, document preparation (Boundary Line Adjustments, etc.), and property clean-up post-acquisition.

Assumptions:

- City of Sumner is responsible for all permitting and regulatory obligations for the project.
- City of Sumner will follow procurement requirements for public funding.
- Progress reports will be provided no less than quarterly.

Deliverables:

- The reimbursement request will include documentation for the contractor's time, equipment, and materials.
- Quarterly Progress reports
- Once the FCZD's allocation has been expended, submit a final report that includes a written description of work completed with FCZD funds, photos, as-builts, and a final reimbursement request.

Attachment A to FCZD Board of Supervisors Resolution No. 2026-4 Exhibit A

Project ID Number: SUM-4

Project Name on the FZCD Submission: Lower White River - Stewart Road Bridge RM 5.0

Project Name on the FZCD Approved Budget (Resolution 2025-5): Lower White River - Stewart Road Bridge

Jurisdiction: City of Sumner

FCZD 2026 Allocation: $2,500,000 for 2026 for Construction.

Budget: The total project cost is $41,445,027. Construction costs are estimated at $37,319,576.

Location: Stewart Road between Butte Avenue and 140th Ave Ct E.

Schedule: The City of Sumner is expected to do construction between 2026 – 2028.

Total Project Description: The project removes the existing 2-lane "bottleneck" bridge and replaces it with a new 4-lane bridge with a shared-use path over the White River that is compatible with the roadway sections on either side of the river. The new structure and associated utilities will be up to 16 feet higher than the existing bridge to account for the 100-year flooding event with expected future sediment aggradation. The new structure is significantly longer to reduce the existing river channel constriction, allowing the river more channel area to meander more naturally and eliminating the "chokepoint" created by the existing structure. The design also incorporates flexibility for future floodplain expansion and channel migration by constructing abutments that allow for conversion to piers, and adding bridge spans to further lengthen the bridge if future projects further expand the floodplain.

Both the lengthening and raising of the structure will increase channel capacity and reduce flood risk to the City and upriver communities while increasing floodplain connectivity between the Countyline Setback and future Butte Pit projects immediately upstream and the downstream Lower White River Flood Protection projects.

While the project has already received significant grant funding, none of the received grants have been specific to the project's habitat and floodplain benefits.

Scope of Work for the FCZD Allocation: The FCZD allocation will be spent on the construction of the new bridge structure, roadway, and water/sewer utilities to bring them above the 100-year flood elevation. The funding will also support construction management costs.

Assumptions:

- City of Sumner is responsible for all permitting and regulatory obligations for the project.
- City of Sumner will follow procurement requirements for public funding.
- Progress reports will be provided no less than quarterly.

Deliverables:

- The reimbursement request will include documentation for the contractor's time, equipment, and materials.

- Quarterly Progress reports
- Once the FCZD's allocation has been expended, submit a final report that includes a written description of work completed with FCZD funds, photos, as-builts, and a final reimbursement request.

RESOLUTION NO. 2026-5

A Resolution of the Pierce County Flood Control Zone District Relating to District Flood and Stormwater Projects and Approving an Interlocal Agreement between the District and the City of Gig Harbor for a District Funded Project.

Whereas, Resolution No. 2025-2, approved by the Pierce County Flood Control Zone District (District) on April 23, 2025, adopted an update to the Comprehensive Plan of Development which sets the District's goals and objectives and identifies regional policies, programs, and projects the District could fund that will reduce risks to public health and safety; reduce public infrastructure and private property damage; improve habitat conditions; and reduce maintenance costs while protecting and maintaining the regional economy; and

Whereas, the City of Gig Harbor Sewer Lift Station #5 is included in the Comprehensive Plan of Development as a critical public infrastructure project impacted by coastal flooding; and

Whereas, Resolution No. 2025-5, approved by the District on October 8, 2025, approved funding to be expended in 2026 for construction of the City of Gig Harbor Sewer Lift Station #5; and

Whereas, the District and the City of Gig Harbor are authorized to enter into this Agreement pursuant to RCW 39.34.080 and RCW 86.15.080(11); **Now, therefore**

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

Section 1. The Board of Supervisors approves the "Interlocal Agreement Between the Pierce County Flood Control Zone District and the City of Gig Harbor" attached as Exhibit A to this resolution for a District Funded Project.

ADOPTED this ____ day of_____, 2026.

ATTEST:

PIERCE COUNTY FLOOD CONTROL ZONE DISTRICT
Pierce County, Washington

_____
Brenna Price
Clerk of the Board

_____
Dave Morell
Flood Control Zone District Chair

INTERLOCAL AGREEMENT BETWEEN THE PIERCE COUNTY FLOOD CONTROL ZONE DISTRICT AND THE CITY OF GIG HARBOR FOR FOR A DISTRICT GRANT FUNDED PROJECT

THIS INTERLOCAL AGREEMENT FOR PIERCE COUNTY FLOOD CONTROL ZONE DISTRICT GRANT FUNDED PROJECT ("Agreement") is made and entered into by and between the City of Gig Harbor, a Washington municipal corporation, hereinafter referred to as the "Grantee," and the Pierce County Flood Control Zone District, a Washington quasi-municipal corporation, hereinafter referred to as the "District.". The District and the Grantee are individually a "Party" and collectively the "Parties." This Agreement shall be effective upon execution by the Grantee and the District.

RECITALS

A. The District's Board of Supervisors has adopted Resolution No. 2025-5, the District's 2026 budget resolution, which lists the included Capital Improvement Project that will be funded by the District in 2026.

B. Through a competitive process, the Grantee was awarded up to $1 million dollars for the Sewer Lift Station #5 project in the City of Gig Harbor, identified in the 2026 Budget Resolution and further identified and described in **Attachment A**, attached and incorporated herein.

C. The District desires to provide funding for the Project consistent with the 2026 Budget Resolution and the terms and conditions of this Agreement.

D. Pursuant to Chapter 39.34 RCW and RCW 86.15.080, the Parties desire to enter into this Agreement to establish the terms and conditions of District providing grant funding for the Project.

AGREEMENT

In furtherance of the foregoing and in consideration of the following terms and conditions, the Parties agree as follows:

1. Definitions. In this Agreement, the following terms shall have the following meanings.

1.1 "Board" means the Board of Supervisors of the District.

1.2 "District Administrator" means the Director of the Pierce County Public Works and Utilities Department, or designee.

1.3 "Funds" shall mean the funds authorized for payment by the District to the Grantee for expenditures on the Project, as set forth in the 2026 Budget

Resolution and any subsequent budget resolutions or resolutions approving modifications to funds authorized or authorizing additional funds for the Project.

1.4 "Project" means the City of Gig Harbor Lift Station #5 as further identified and described in **Attachment A**, and as listed in 2026 Budget Resolution.

1.5 "2026 Budget Resolution" means District Resolution No. 2025-5.

2. Term of Agreement—Termination of Agreement—Survival of Agreement.

2.1 This Agreement shall be effective upon execution by both Parties and shall remain in effect until the earliest of the following: (a) the District has disbursed all Funds in accordance with this Agreement, (b) termination pursuant to Section 2.2, or (c) termination for particular Project for lack of funding authorization pursuant to Section 8.

2.2 Either Party may terminate this Agreement by providing written notice of termination to the other Party no less than sixty (60) days prior to the effective date of termination. Notice by the Grantee shall be provided to the District Administrator and notice by the District shall be provided to the chief executive employee of the Grantee. Alternatively, this Agreement may be terminated without notice upon mutual agreement of the Parties expressed in writing.

2.3 Sections 9, 10, and 11 shall survive any termination of this Agreement.

3. Design, Procurement, and Construction—Permits and Approvals—Submission of Documents. The Grantee shall design, procure, and construct the Project in compliance with all applicable laws, rules, and regulations, and shall obtain and be responsible for all approvals and permits for the Project. Prior to bidding of each of the Project, the Grantee shall submit copies of the bid documents, drawings, plans, and specifications for that Project to the District Administrator.

4. Project Work and Funding Sources. The descriptions and schedules for the Project are stated in **Attachment A**. When requested by the District Administrator, the Grantee shall submit further descriptions of the work and schedule information for the Project, a description of the funding sources for the Project, and a schedule of the expected receipt of all funds for the Project.

5. Payment and Use of Funds. The District shall pay Funds to the Grantee only for Project-related expenses that are consistent with the "Scope of Work for the FCZD Allocation" in **Attachment A**. The District will make payments pursuant to a procedure and schedule developed by the District Administrator, with reasonable requests by the Grantee considered.

6. Funding Limitation. The Grantee acknowledges and agrees that the financial obligations of the District pursuant to this Agreement are limited to payment of the Funds pursuant to this Agreement for each of the Project. The Funds were awarded based on the estimated cost of the Project, and the District shall not be responsible or liable for any Project-related expenses or costs in excess of the Funds authorized for a Project, regardless of whether the actual cost of that Project is greater than its estimated cost.

7. Withholding or Denial of Funds. The District reserves the right to withhold or deny payment of Funds for failure of the Grantee to comply with this Agreement, failure of any of the Project to meet the descriptions and schedules in **Attachment A** or in the further descriptions and schedules provided pursuant to Section 4, or failure of any of the Project to conform substantially to the bid documents, drawings, plans, and specifications.

8. Funding Duration—Automatic Termination. The Project is intended to be constructed or completed in one budget year. The District's obligation to provide Funds for any subsequent budget year is conditioned upon appropriation of Funds by the District for that subsequent budget year. A budget year ends December 31 of the designated calendar year. In order to be eligible for reimbursement, Project-related expenses must be incurred during a budget year for which the District has appropriated Funds, and Grantee must request reimbursement for the expenses no later than March 31 of the following budget year. The Grantee may, however, submit to the Board, no later than December 1 of a budget year, a written request for an extension of one year in order to incur the expenses of that current budget year, which the District will consider in its sole discretion. If the District approves Funds for a Project in one budget year but fails to approve Funds for that Project in a subsequent budget year, (a) this Agreement shall remain in force for the Project only until the District has paid all Funds appropriated for the Project in the previous budget year (to the extent Grantee submits for reimbursement by March 31 of the subsequent year). This Agreement shall terminate in full automatically on March 31 of the first budget year in which the District has not authorized any Funds for the Project.

9. Reports—Records Retention—Inspections and Audit.

9.1 The Grantee shall prepare and file written reports describing its request for, and expenditure of, the Funds no less than quarterly, or more frequently, as reasonably required by the District Administrator. The Grantee shall prepare and file a final report after final distribution of Funds for each Project, using the progress report form provided by the District Administrator. The Grantee will make a brief presentation to the Board at a regularly scheduled meeting each year this Agreement is in effect.

9.2 The Grantee shall retain all records and documents relating to the Funds for a minimum of seven (7) years after final payment of Funds by the

District, unless required by law to be retained for a longer period, in which case the longer period shall apply.

9.3 Upon reasonable notice, the Grantee shall make all records and documents relating to the expenditure and application of the Funds available to the District Administrator for inspection, review, and audit.

9.4 Following an audit of the payment of the Funds, the Grantee shall repay to the District all amounts that the District determines should not have been paid to the Grantee, to the extent those payments were due to the negligent or intentional acts of the Grantee, its officers, officials, employees, agents, contractors, volunteers, or assigns.

10. Ownership and Maintenance. The Parties agree that the Grantee is solely responsible for the acquisition, design, construction, operation, installation, maintenance, repair and replacement of the Project. For purposes of clarity, the District shall not own the Project, and shall have no obligation or responsibility for the acquisition, design, construction, operation, maintenance, repair and replacement of the Project.

11. Hold Harmless and Indemnification.

11.1 To the maximum extent permitted by law, each Party shall defend, indemnify and hold harmless the other Party, and all of its officers, officials, employees, agents, contractors and volunteers, from any and all claims, injuries, damages, losses or suits, including attorney fees, arising out of or resulting from any negligent acts, errors, omissions of the indemnifying Party and its officers, officials, employees, agents, contractors and volunteers in performing obligations under this Agreement or in implementing the Project. However, if any such injuries and damages to persons or property are caused by or result from the concurrent negligence of the District or its officers, officials, employees, agents, contractors and volunteers, and the Grantee or its officers, officials, employees, agents, contractors and volunteers, each Party's obligation hereunder applies only to the extent of the negligence of such Party or its officers, officials, employees, agents, contractors, or volunteers.

11.2 The foregoing indemnity is specifically and expressly intended to constitute a waiver of each Party's immunity under industrial insurance, Title 51 RCW, as respects the other Party only, and only to the extent necessary to provide the indemnified Party with a full and complete indemnity of claims made by the indemnitor's employees. This waiver has been mutually negotiated by the Parties.

12. Amendment. This Agreement may be modified by written instrument approved by the Grantee's governing body and the Board and signed by the authorized representatives of the Parties.

13. 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.

14. No Third Party Rights. Nothing in this Agreement shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party.

15. 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.

16. Counterparts. This Agreement may be signed in counterparts and, if so signed, shall be deemed one integrated document.

17. Governing Law; Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. In the event of a dispute, such dispute shall be litigated only in the Superior Court of Pierce County, Washington.

18. Severability. The invalidity or unenforceability of any provision in this Agreement shall not affect the validity or enforceability of any other provisions that can be given effect without the offending provision.

19. Administration. This Agreement will be jointly administered by the Grantee and the District. This Agreement does not create any separate legal or administrative entity. The District Administrator and the [*insert name of Grantee's employee or officer*], respectively, shall receive and give all notices, approvals, reports and documents under this Agreement.

20. Financing; Budget. This Agreement does not contemplate joint financing of the activities within its scope, nor does it contemplate a joint budget.

21. Property Acquisition and Disposition. This Agreement does not contemplate the joint acquisition of property by the parties. At termination, each party will remain the sole owner of its own property.

22. Recording. In accordance with RCW 38.34.040, this Agreement shall be filed with the Pierce County Auditor or listed on the web sites of the Parties prior to its effective date.

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

GRANTEE: CITY OF GIG HARBOR	PIERCE COUNTY FLOOD CONTROL ZONE DISTRICT:
_____	_____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
Attested to:	Attested to:
_____	_____
[name/title]	[name/title]
Date: _____	Date: _____

Approved as to Form:

_____
Attorney

Attachment A to FCZD Board of Supervisors R2026-5 Exhibit A
Scope of Work
Resolution No. 2026-5

Project ID Number: GH-2

Project Name: **Sewer Lift Station #5**

Jurisdiction: City of Gig Harbor

FCZD Allocation: $1 million.

Total Budget: The total project cost is $3,422,000. Construction is estimated at $2.97 million.

Location: The City's existing Lift Station #5 is located along the shoreline of Gig Harbor Bay, adjacent to residential houses in the 2800 block of Harborview Drive.

Schedule: The City of Gig Harbor anticipates awarding the public works contract in the second quarter of 2026 and completing the construction by the spring of 2027.

Total Project Description: The City's existing Lift Station #5 was originally built in 1974 and is located along the shoreline of Gig Harbor Bay. Due to the facility's age, the components are beyond their lifespan and are no longer available for replacement. Due to the facility's location, it is expected to be impacted by future king tides and sea level rise.

This project will maintain the existing lift station wet well, demolish the existing vacuum prime pumps and associated lift station equipment, and install a new pre-packaged lift station with dual suction linesat a location significantly above the 2080 predicted king tide elevation,. Additionally, this project proposes to install a permanent emergency backup generator, slip lining in the existing gravity main along the beach, and epoxy coating in existing manholes to reduce seawater infiltration. The new sewer lift station location is approximately 20 feet higher in elevation when compared to the existing location.

Scope of Work for the FCZD Allocation:

The City of Gig Harbor will be using the FCZD funds to pay a portion of the City's public works construction contract. Each time the City makes a payment to the contractor, it will request reimbursement for a portion of that payment from the FCZD allocation until the $1 million is expended.

Tasks include:

- The existing sewer lift station #5 is located along the shoreline of Gig Harbor Bay. The maximum predicted 2080 king tide elevation used for the city's sewer lift station #5 improvement project is an elevation of 16.7 feet (NAVD88 vertical datum). The project will remove existing mechanical, electrical, and control equipment from an existing underground vault located on the shoreline of Gig Harbor at an elevation of 15.2 feet. and relocate the equipment to a vault at an elevation of 33.2 feet. All existing sewer manholes and pipes that remain below the 2080 king tide elevation will be rehabilitated with water-tight lids and waterproof linings.

Attachment A to FCZD Board of Supervisors R2026-5 Exhibit A
Scope of Work
Resolution No. 2026-5

Assumptions:

- Gig Harbor is responsible for all permitting and regulatory obligations for the project.
- Additional funding beyond the $1M is secured by means other than FCZD and provided by Gig Harbor
- Gig Harbor will follow procurement requirements for public funding.
- Progress reports will be provided no less than quarterly.

Deliverables:

- The reimbursement requests will include documentation for the contractor's time, equipment, and materials.
- Quarterly Progress reports
- Once the FCZD's allocation has been expended, a final report will be submitted which will include a written description of work completed with FCZD funds, photos, as-builts, and a final reimbursement request.

RESOLUTION NO. 2026-6

A Resolution of the Pierce County Flood Control Zone District Board of Supervisors Amending Budget Resolution No. 2025-5 of the Pierce County Flood Control Zone District Board of Supervisors.

Whereas, on October 8, 2025, the Pierce County Flood Control Zone District ("District") Board of Supervisors adopted Resolution No. 2025-5, which established the District's 2026 Budget; and

Whereas, the District has assessed project delivery capacity and now desires to reallocate unspent 2025 capital project funds to 2026 capital project needs; and

Whereas, the District has assessed administrative costs and now desires to reallocated funds to align with 2026 projected costs; and

Whereas, pursuant to Revised Code of Washington (RCW) 86.15.140, the District held a duly noticed public hearing on_____, regarding amendments as set forth herein to the 2026 Budget; **Now Therefore,**

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

Section 1. Exhibits B, C, and D to Resolution No. 2025-5 are hereby replaced with the attached Exhibits A, B, and C.

Section 2. The remainder of Resolution No. 2025-5 shall remain in full force and effect.

ADOPTED this _____ day of _____, 2026.

ATTEST:

PIERCE COUNTY FLOOD CONTROL ZONE DISTRICT
Pierce County, Washington

_____
Brenna Price
Clerk of the Board

_____
Dave Morell
Flood Control Zone District Chair

DRAFT

Resolution No. 2026-6
Exhibit A - FCZD Annual Budget

Exhibit A	Pierce County Flood Control Zone District 2026 Annual Budget Amendment 1 March 18, 2026			2025 (Actuals)	Annual Budget Difference
	BEGINNING FUND BALANCE		**$ 60,560,607**	**$ 52,498,730**	**$ 8,061,877**
					$ -
	Anticipated Annual Revenue				**$ -**
	Projected Annual Levy Revenue based on Total Assessed Value		$ 18,948,175	$ 19,109,877	$ (161,702)
	Estimated Annual Investment Interest		$ 2,316,874	$ 2,008,450	$ 308,424
	Anticipated Total Revenue		**$ 21,265,049**	**$ 21,118,327**	**$ 146,722**
	TOTAL REVENUE AND FUND BALANCE AVAILABLE		**$ 81,825,656**	**$ 73,617,057**	**$ 8,208,599**
EXPENDITURES	**ANNUAL EXPENDITURES**				**$ -**
	Annual Inflation/Escalation Rate	4%			
	Annual Inflation/Escalation Rate (Contracts)	5%			
	Administration		**$ (1,025,702)**	**$ (589,937)**	**$ (435,765)**
	Board, Travel, Dues, Membership	$ 15,824			$ 10,224
	Website Hosting	$ 4,680			$ 180
	Annual Audit Fees from WA State Auditors Office	$ 23,608			$ 908
	Direct Expenses: Notices, Phone, Printing Fees	$ 3,952			$ 152
	County Administrative Support				
	Pierce County PPW SWM - FCZD Support	$ 204,740			$ 47,240
	Pierce County PPW BFO- Audit Services	$ 1,248			$ 48
	Performance Audit	$ 936			$ 36
	Pierce County Clerk Assistance	$ 14,248			$ 548
	Pierce County Executive- Government Relations	$ 624			$ 24
	Pierce County Central Public Records Costs	$ 520			$ 20
	Pierce County Communication Section Support	$ 12,064			$ 464
	2025 CPOD Outreach Support	$ 68,640			$ 2,640
	Pierce County IT Financial/HR Systems Support	$ 6,136			$ 236
	Website Update	$ 18,408			$ 708
	Pierce County Indirect Expenses	$ 40,664			$ 1,564
	Professional Services	$ -			$ -
	Flood Control Zone District Support	$ 214,095			$ 10,195
	Legal Counsel Support	$ 64,565			$ 3,075
	Accountant Support	$ 63,000			$ 3,000
	Insurance/Broker Support	$ 42,000			$ 2,000
	Other Professional Services- Annual Rpt, CPoD, Rate Study	$ 225,750			$ 10,750
	Operations and Maintenance (15% of Levy Assessment)	$ (2,842,227)	**$ (2,842,227)**	**$ (2,842,227)**	**$ -**
	Opportunity Fund**		**$ (2,499,540)**	**$ (2,973,179)**	
	Total Annual Opportunity Fund Allocation**	$ 2,499,540			
	Total Carryover Opportunity Funds Amount	$ 6,899,107			
	Capital Project Fund		**$ (16,563,109)**	**$ (6,651,107)**	**$ (9,912,002)**
	TOTAL ANNUAL EXPENDITURES		**$ (22,930,577)**	**$ (13,056,450)**	
	** Total Opportunity Fund Allocation include Mininum Floor of $50,000 per Resolution 2024-2.				
PROJECTED ENDING FUND BALANCE IN 2025			**$ 58,895,079**	**$ 60,560,607**	**$ (1,665,528)**

Contact:
Kjris Lund, Executive Director (253) 612-8138
Brandon Smith, District Administrator (253) 798-3720

Pierce County Flood Control Zone District
2026 Annual Budget Amendment 1

Annual Capital Improvement Program

2026

Annual Capital Budget

Exhibit B

Project ID	Project Name	Municipality	Land Acquisition	Planning/Design	Construction	Strategic Reserve Account	Large Capital Project Match Account	Total
UPC-?	Alward Road Acquisition & Setback Levee	Unincorporated Pierce County	$ 599,650	$ -	$ -	$ -	$ -	$ 599,650
UPC-4	128th Street Corridor	Unincorporated Pierce County	$ 339,757	$ 586,243	$ -	$ -	$ -	$ 926,000
UPC-14	Clear Creek Floodplain Reconnection	Unincorporated Pierce County	$ 486,186	$ -	$ -	$ -	$ 410,000	$ 896,186
UPC-1	Jones Setback Levee	Unincorporated Pierce County	$ 150,000	$ 50,000	$ -	$ -	$ -	$ 200,000
UPC-15x	Lower Puyallup River Flood Impact and Action Study	Unincorporated Pierce County	$ -	$ -	$ -	$ -	$ 500,000	$ 500,000
SUM-4	Lower White River - Stewart Road Bridge RM 5.0	City of Sumner	$ -	$ -	$ 2,500,000	$ -	$ -	$ 2,500,000
SUM-3	Lower White River - Stewart Setback RM 4.4-4.9 LB	City of Sumner	$ 3,000,000	$ 270,000	$ -	$ -	$ -	$ 3,270,000
SUM-2	Lower White River - Sumner Pointbar RM 3.9-4.5 RB	City of Sumner	$ 100,000	$ 242,450	$ -	$ -	$ -	$ 342,450
SUM-1	Lower White River, 24th Street RM 2.5-4.2 LB	City of Sumner	$ 547,570	$ -	$ 5,000,000	$ -	$ -	$ 5,547,570
UPC-6	Neadham Road Floodplain Reconnection	Unincorporated Pierce County	$ -	$ 304,000	$ -	$ -	$ -	$ 304,000
UPC-5	Orville Road – Kapowsin Creek	Unincorporated Pierce County	$ -	$ 220,000	$ -	$ -	$ -	$ 220,000
GH-2	Sewer Lift Station #5	City of Gig Harbor	$ -	$ -	$ 1,000,000	$ -	$ -	$ 1,000,000
UPC-10	White River Butte Ave Floodplain Reconnection	Unincorporated Pierce County	$ -	$ 257,253	$ -	$ -	$ -	$ 257,253
ANNUAL CAPITAL PROJECT FUND EXPENDITURES			**$ 4,623,513**	**$ 1,929,946**	**$ 8,500,000**	**$ -**	**$ 910,000**	**$ 16,563,109**

Contact:
Kjris Lund, Executive Director (253) 612-8138
Brandon Smith, District Administrator (253) 798-2159

Pierce County Flood Control Zone District
2026 Annual Budget Amendment 1
6 Year Capital Improvement Program

Exhibit C

Project Name	Project ID	Municipality	As Adopted 2026	Proposed Amendment 1 2026	2027	2028	2029	2030	2031	Total
Capital Improvement Plan Projects										
Alward Road Acquisition & Setback Levee	UPC-?	Unincorporated Pierce County	$ -	$ 599,650	$ -	$ -	$ -	$ -	$ -	$ 599,650
Clear Creek Floodplain Reconnection	UPC-14	Unincorporated Pierce County	$ -	$ 486,186	$ -	$ -	$ -	$ -	$ -	$ 486,186
Lower White River, 24th Street RM 2.5-4.2 LB	SUM-1	City of Sumner	$ 5,000,000	$ 5,547,570	$ 4,000,000	$ 2,000,000	$ 700,000	$ 500,000	$ -	$ 12,747,570
Lower White River - Sumner Pointbar RM 3.9-4.5 RB	SUM-2	City of Sumner	$ 1,000,000	$ 342,450	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 1,000,000	$ -	$ 7,342,450
Lower White River - Stewart Setback RM 4.4-4.9 LB	SUM-3	City of Sumner	$ 1,000,000	$ 3,270,000	$ 1,000,000	$ 1,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 11,270,000
Lower White River - Stewart Road Bridge RM 5.0	SUM-4	City of Sumner	$ 2,500,000	$ 2,500,000	$ 1,500,000	$ 1,000,000	$ -	$ -	$ -	$ 5,000,000
Neadham Road Floodplain Reconnection	UPC-6	Unincorporated Pierce County	$ 304,000	$ 304,000	$ 122,000	$ 3,100,000	$ -	$ -	$ -	$ 3,526,000
Orville Road – Kapowsin Creek	UPC-5	Unincorporated Pierce County	$ 220,000	$ 220,000	$ 3,730,000	$ 140,000	$ 20,000	$ -	$ -	$ 4,110,000
White River Butte Ave Floodplain Reconnection	UPC-10	Unincorporated Pierce County	$ 200,000	$ 257,253	$ 2,500,000	$ 100,000	$ -	$ -	$ -	$ 2,857,253
Jones Setback Levee	UPC-1	Unincorporated Pierce County	$ 200,000	$ 200,000	$ 200,000	$ -	$ -	$ -	$ -	$ 400,000
128th Street Corridor	UPC-4	Unincorporated Pierce County	$ 200,000	$ 926,000	$ -	$ 1,500,000	$ -	$ 9,000,000	$ 9,000,000	$ 20,426,000
Sewer Lift Station #5	GH-2	City of Gig Harbor	$ 1,000,000	$ 1,000,000	$ -	$ -	$ -	$ -	$ -	$ 1,000,000
Large Capital Projects										$ -
Lower Puyallup River Flood Impact and Action Study	UPC-15x	Unincorporated Pierce County	$ 500,000	$ 500,000	$ 500,000	$ -	$ -	$ -	$ -	$ 1,000,000
Clear Creek Floodplain Reconnection	UPC-14	Unincorporated Pierce County	$ 410,000	$ -	$ 5,170,000	$ 5,190,000	$ 5,000,000	$ -	$ -	$ 15,360,000
Annual Capital Project Fund Expenditures				$ 16,153,109	$ 20,722,000	$ 16,030,000	$ 9,720,000	$ 12,500,000	$ 11,000,000	$ 86,125,109

Contact:
Kjris Lund, Executive Director (206) 612-8138
Brandon Smith, District Adminstrator (253) 798-2159

Pierce County Flood Control Zone District

2026 Annual Budget Amendment 1

Exhibit D — **6-YR Financial Plan**

6-YR Financial Plan	2025	2026	2027	2028	2029	2030	2031	Total 6-YR AMOUNT
BEGINNING FUND BALANCE**	**$ 52,498,730**	**$ 60,560,607**	**$ 58,895,079**	**$ 53,570,566**	**$ 52,691,653**	**$ 58,044,715**	**$ 60,776,369**	
Anticipated Annual Revenue								
Projected Annual Levy Revenue - Fixed Amount	$ 19,109,877	$ 18,948,175	$ 18,948,175	$ 18,948,175	$ 18,948,175	$ 18,948,175	$ 18,948,175	**$ 113,689,050**
Projected Annual Levy Revenue - New Construction	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Estimated Annual Investment Interest	$ 2,008,450	$ 2,316,874	$ 2,253,156	$ 2,049,455	$ 2,015,831	$ 2,220,623	$ 2,325,129	**$ 13,181,068**
TOTAL ANNUAL REVENUE	**$ 21,118,327**	**$ 21,265,049**	**$ 21,201,331**	**$ 20,997,630**	**$ 20,964,006**	**$ 21,168,798**	**$ 21,273,304**	**$ 126,870,118**
TOTAL REVENUE AND FUND BALANCE AVAILABLE	**$ 73,617,057**	**$ 81,825,656**	**$ 80,096,410**	**$ 74,568,197**	**$ 73,655,659**	**$ 79,213,513**	**$ 82,049,673**	
Annual Expenditures								
Administration	$ (589,937)	$ 1,025,702	$ 1,066,800	$ 1,109,500	$ 1,153,900	$ 1,200,100	$ 1,248,200	**$ 6,804,202**
Operations and Maintenance	$ (2,842,227)	$ 2,842,227	$ 2,842,226	$ 2,842,226	$ 2,842,226	$ 2,842,226	$ 2,842,226	**$ 17,053,358**
Opportunity Funds (154-01)	$ (2,973,179)	$ 2,499,540	$ 1,894,818	$ 1,894,818	$ 1,894,818	$ 1,894,818	$ 1,894,818	**$ 11,973,627**
Capital Project Funds***	$ (6,651,107)	$ 16,563,109	$ 20,722,000	$ 16,030,000	$ 9,720,000	$ 12,500,000	$ 11,000,000	**$ 86,535,109**
TOTAL ANNUAL EXPENDITURES	**$ (13,056,450)**	**$ 22,930,577**	**$ 26,525,844**	**$ 21,876,544**	**$ 15,610,944**	**$ 18,437,144**	**$ 16,985,244**	**$ 122,366,296**
ENDING FUND BALANCE	**$ 60,560,607**	**$ 58,895,079**	**$ 53,570,566**	**$ 52,691,653**	**$ 58,044,715**	**$ 60,776,369**	**$ 65,064,429**	

*** The Planned Beginning Fund Balance is equal to Total Fund Balance as reported in the District's Financial Statement Report for prior year ending in December 31, and includes all carryover amounts.*

**** Capital Projects includes projects funded by Strategic & Needs Reserve Amount and Large Capital Match Amount.*

Actuals

Opportunity Fund 154.01	2025	2026	2027	2028	2029	2030	2031
Beginning Opportunity Fund Balance	**$ 7,374,257**	**$ 6,899,107**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Annual Opportunity Fund Allocation	$ 2,498,029	$ 2,499,540	$ 2,524,600	$ 2,549,900	$ 2,575,400	$ 2,601,200	$ 2,627,300
Opportunity Fund Expenditures*	$ (2,973,179)	$ (9,398,646)	$ (2,524,600)	$ (2,549,900)	$ (2,575,400)	$ (2,601,200)	$ (2,627,300)
Ending Opportunity Fund Balance	**$ 6,899,107**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

**Projections assume jurisdictions will expend all Opportunity Funds*

Strategic & Emergent Needs Reserve Account	2025	2026	2027	2028	2029	2030	2031
Beginning Account Balance	**$ 2,500,000**	**$ 2,500,000**	**$ 2,500,000**	**$ 2,500,000**	**$ 2,500,000**	**$ 2,500,000**	**$ 2,500,000**
Account Revenues	$ -						
Account Expenditures (See Annual Capital Plan for Expenditures)	$ -						
Ending Account Balance	**$ 2,500,000**	**$ 2,500,000**	**$ 2,500,000**	**$ 2,500,000**	**$ 2,500,000**	**$ 2,500,000**	**$ 2,500,000**

Contact:
Kjris Lund, Executive Director (253) 612-8138
Brandon Smith , District Administrator (253) 798-2159

Pierce County Flood Control Zone District

2026 Annual Budget Amendment 1

Exhibit D **6-YR Financial Plan**

		2025	2026	2027	2028	2029	2030	2031
Large Capital Project Match Reserve Account	**Beginning Account Balance**	**$ 7,400,000**	**$ 11,993,413**	**$ 12,493,413**	**$ 7,823,413**	**$ 3,633,413**	**$ (366,587)**	**$ 633,413**
	Account Revenues							
	Annual Allocation	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
	Fund Correction	$ 500,000		$ -	$ -	$ -	$ -	$ -
	Lower White River (Pacific Pt. Bar, L Bank Setback, 24th St Setback)	$ 3,100,000		$ -	$ -	$ -	$ -	$ -
	Account Expenditures (See Annual Capital Plan for Expenditures)							
	Lower Puyallup River Flood Impact and Action Study	$ -	$ 500,000	$ 500,000	$ -	$ -	$ -	$ -
	Clear Creek Floodplain Reconnection	$ -	$ -	$ 5,170,000	$ 5,190,000	$ 5,000,000	$ -	$ -
	Jones Setback Levee (Calistoga)	$ (6,587.15)						
	Ending Account Balance	**$ 11,993,413**	**$ 12,493,413**	**$ 7,823,413**	**$ 3,633,413**	**$ (366,587)**	**$ 633,413**	**$ 1,633,413**

	2025	2026	2027	2028	2029	2030	2031
Required Minimum Fund Balances per Resolution 2017-04	**$ 25,919,000**	**$ 25,965,289**	**$ 27,762,922**	**$ 25,438,272**	**$ 22,305,472**	**$ 23,718,572**	**$ 22,992,622**
Working Capital Reserve (6 Months Expenditures)	$ 11,419,000	$ 11,465,289	$ 13,262,922	$ 10,938,272	$ 7,805,472	$ 9,218,572	$ 8,492,622
Strategic Reserve Account (Min Balance)	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000
Large Capital Reserve Account (Min Balance)	$ 12,000,000	$ 12,000,000	$ 12,000,000	$ 12,000,000	$ 12,000,000	$ 12,000,000	$ 12,000,000

Contact:
Kjris Lund, Executive Director (253) 612-8138
Brandon Smith , District Administrator (253) 798-2159

Pierce County Flood Control Zone District
2026 Annual Budget Amendment 1
2026 OPPORTUNITY FUND DISTRIBUTIONS
Opportunity Fund- Estimated Annual Allocations

Alt 2- 2025 Levy Revenue same as 2024 Levy Revenue (or $0.0989/$1000) **$ 18,948,175**
Estimated Opportunity Fund Amount (10% Total Assessed Value)= $1,894,817.50

Min. Annual Allocation for Jurisdictions (i.e., Min Floor Level)=** **$ 50,000** Min. Amount established by R2024-2

Municipality	Interlocal Agreement Number	Percentage of Total Assessed Value	Annual Opportunity Fund Allocation ($50K floor)**	Total Opportunity Fund Balances (as of January 31, 2026)	Total Opportunity Funds Available for the Budget Year
Auburn	SC-105874	0.96%	$ 50,000	$ 174,395	$ 224,395
Bonney Lake	SC-101947	2.56%	$ 50,000	$ 402,801	$ 452,801
Buckley	SC-103849	0.62%	$ 50,000	$ 161,646	$ 211,646
Carbonado	SC-103929	0.06%	$ 50,000	$ 106,001	$ 156,001
Dupont	SC-103418	1.33%	$ 50,000	$ 73,369	$ 123,369
Eatonville	SC-105902	0.23%	$ 50,000	$ 127,147	$ 177,147
Edgewood	SC-103855	1.72%	$ 50,000	$ 247,105	$ 297,105
Fife	SC-101945	2.14%	$ 50,000	$ 50,000	$ 100,000
Fircrest	SC-107771	0.72%	$ 50,000	$ 142,979	$ 192,979
Gig Harbor	SC-103415	2.49%	$ 50,000	$ 392,281	$ 442,281
Lakewood	SC-101946	5.79%	$ 109,744	$ 476,057	$ 585,801
Milton	SC-104264	0.72%	$ 50,000	$ 113,383	$ 163,383
Orting	SC-101948	0.70%	$ 50,000	$ 178,679	$ 228,679
Pacific	SC-107772	0.18%	$ 50,000	$ 115,380	$ 165,380
Puyallup	SC-103419	5.17%	$ 98,043	$ 38,471	$ 136,514
Roy	SC-102429	0.06%	$ 50,000	$ 106,995	$ 156,995
Ruston	SC-103852	0.22%	$ 50,000	$ 125,735	$ 175,735
South Prairie	SC-110015	0.04%	$ 50,000	$ 104,343	$ 154,343
Steilacoom	SC-103856	0.80%	$ 50,000	$ 139,940	$ 189,940
Sumner	SC-103850	2.75%	$ 52,036	$ 419,448	$ 471,484
Tacoma	SC-104080	21.80%	$ 413,095	$ 1,105,865	$ 1,518,960
University Place	SC-104002	3.58%	$ 67,827	$ 393,434	$ 461,261
Wilkeson	SC-103853	0.04%	$ 50,000	$ 104,671	$ 154,671
Unincorporated PC	CC-97978	45.32%	$ 858,794	$ 1,598,982	$ 2,457,776
TOTAL ANNUAL OPPORTUNITY FUND ALLOCATION**			**$ 2,499,540**	**$ 6,899,107**	**$ 9,398,646**

** Approved by FCZD Board of Supervisors on March 6, 2024 in Resolution 2024-2.

Contact:
Kjris Lund, Executive Director (253) 612-8138
Brandon Smith , District Administrator (253) 798-2159

Pierce County Flood Control Zone District

RESOLUTION NO. 2026-7

A Resolution of the Pierce County Flood Control Zone District Board of Supervisors Amending the District's Operating Rules.

Whereas, by Resolution No. 2012-1, the Pierce County Flood Control Zone District (District) Board of Supervisors (Board) established rules for the operation of the District, which include among other things the date, time and place of the regular meetings of the Board; and

Whereas, by Resolution No. 2017-2, the Board amended the operating rules of the District to add a new section related to agenda for and notice of Board and Executive Committee meetings; and

Whereas, by Resolution No. 2020-3, the Board amended the operating rules of the District to amend the start time for regular Executive Committee meetings and added a new section to allow for remote meeting of the Board and Executive Committee; and

Whereas, by Resolution No. 2022-5, the Board amended the operating rules of the District to reflect updates from the Open Public Meetings Act and added actions the Executive Committee may take; and

Whereas, meetings of the Board and Executive Committee are to be held in the Pierce County Council Chambers, which is now located at 1501 Market Street, Suite 140, Tacoma, Washington, 98402; and

Whereas, the Board desires to amend the District's operating rules to reflect the new meeting location; **Now Therefore,**

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

Section 1. Amended Pierce County Flood Control District Operating Rules Adopted. The Board of Supervisors of the Pierce County Flood Control District hereby adopts the amended operating rules attached as Exhibit A to this Resolution.

Section 2. Previous Versions Superseded. Any previous versions of the operating rules adopted by this resolution, whether or not adopted by the Board of Supervisors, are hereby superseded.

ADOPTED this _____ day of _____, 2026.

ATTEST:

PIERCE COUNTY COUNCIL
Pierce County, Washington

_____
Brenna Price
Clerk of the Board

_____
Dave Morell
Flood Control Zone District Chair

Exhibit A

Pierce County Flood Control Zone District
Operating Rules

Section 1. Purpose.

The purpose of this Resolution is to establish rules and operating procedures for the Pierce County Flood Control Zone District.

Section 2. Definitions.

A. "Board" means the Board of Supervisors of the Pierce County Flood Control Zone District ("FCZD"), who as Pierce County Councilmembers are ex officio members of the Board.

B. "Executive Committee" means the Executive Committee of the Pierce County Flood Control Zone District, consisting of three members of the Board who are elected by the members of the Board.

C. "Legislation" means a "motion" or "resolution".

D. "Motion" means legislation that organizes and administers the Flood Control Zone District or that contains declarations of policy which do not have the force of law.

E. "Resolution" means legislation that has the force of law.

Section 3. Officers.

A. At the first meeting of the Board in any given year the Board shall elect a Chair and a Vice-Chair and a third member of the Executive Committee all of whom shall serve for a term of one year or until their successors are elected.

B. The Chair of the Board shall preside at Board meetings, sign resolutions and other documents on behalf of the Board and perform such other duties as are commonly associated with that office.

C. The Vice-Chair shall perform the duties of the Chair in the Chair's absence.

D. The Chair or the Vice-Chair may be removed by simple majority vote of the total membership of the Board. If the Chair or Vice-Chair of the Board is removed, the Board shall elect a successor as provided herein.

Section 4. Executive Committee.

A. The Executive Committee shall consist of the Chair and Vice-Chair of the Board and one additional member elected by the members of the Board.

B. The Executive Committee member who is neither Chair nor Vice-Chair shall serve at the pleasure of the Board for a term of one year, unless decided otherwise by the Board and until the member's successor is chosen.

C. On behalf of the Board, the Executive Committee may take the following actions and perform the following functions:

1. Approve contracts for goods and services where the stated charges in the contract or the actual and anticipated charges under the contract (including renewals, extensions, and amendments) are or will be up to $100,000;

2. Review and recommend budgets;

3. Review and recommend policies and procedures;

4. Review and recommend capital projects to the Board;

5. Develop and approve staffing and personnel policies related to the administration of the District in accordance with Section 7; and

6. Oversee and administer the daily administration of the District.

The Chair of the Executive Committee may approve contracts for goods and services where the stated charges in the contract or the actual and anticipated charges under the contract (including renewals, extensions and amendments) are or will be up to $20,000 and are included in the District's budget and work program. After approval of such a contract, the agenda for the next Executive Committee meeting shall contain an agenda item for the contract and at the meeting the chair of the Executive Committee or designee shall give a report regarding the contract.

D. The Chair of the Executive Committee shall preside at Committee meetings and perform such other duties as are commonly associated with that office.

E. The Vice-Chair shall perform the duties of the Chair in the Chair's absence.

F. If any decision of the Executive Committee is not unanimous, the decision shall be forwarded to the Board for final decision at the request of any member who voted against the decision.

Section 5. Meetings.

A. The regular meetings of the Board shall be held on the second Wednesday of January, April, July, and October starting at 9:30 a.m. at the Pierce County Council Chambers, 1501 Market Street, Suite 140, Tacoma, Washington, 98402.

B. The regular meetings of the Executive Committee shall be held every third Wednesday of each month starting at 11:00 a.m. at the Pierce County Council Chambers, 1501 Market Street, Suite 140, Tacoma, Washington, 98402.

C. Special meetings of the Board or the Executive Committee may be called by their respective Chairs or as provided in RCW 42.30.080.

D. The Board and the Executive Committee shall comply with the Open Public Meetings Act, Chapter 42.30 RCW. Any member of the Board may attend a meeting of the Executive Committee.

Section 6. Executive Committee and Board Action.

A. A quorum of the Board shall consist of four members. A quorum of the Executive Committee shall consist of two members.

B. All actions of the Board or Executive Committee shall be by simple majority vote of those present except that any action by the Board to impose a property tax shall be adopted with no less than an affirmative vote of two-thirds of the Board.

C. Members of the Board and Executive Committee must be present to vote on a matter before the Board or Executive Committee, except that at any meeting of the Board involving a tax vote, members of the Board may attend and vote by teleconference, i.e. use of oral electronic communication devices such as telephone, conference call or internet audio, provided that:

1. No more than two members of the Board may attend and vote by teleconference;

2. The teleconference technical connection for the meeting must allow the Board member to hear and to be heard by other Board members and the public; and

3. The Board member must provide six hours notice before the meeting to the Clerk of the Board, or the Clerk's designee.

D. All actions of the Board or Executive Committee shall be recorded in the minutes, copies of which shall be distributed to each member of the Board or Committee.

Section 7. Board Resources.

A. The Board shall determine and provide for staff and other resources required to assist the Board and the Executive Committee in performing their duties.

B. The Executive Committee shall oversee employment-related issues for the Board in consultation with the Executive Director.

Section 8. Miscellaneous.

A. The rules contained in Robert's Rules of Order Newly Revised shall govern the Board and Executive Committee in all cases in which they are reasonably applicable and not inconsistent with this resolution.

B. The Board may revise these rules and operating procedures at any regular or special meeting by majority vote.

Section 9. Agenda and Notice of Board and Executive Committee Meetings.

A. The Chair or designee (hereafter, the "Chair") shall prepare an agenda for each Board and Executive Committee meeting. The Chair shall determine the order of, and items on, the agenda, taking into account the order of and items on previous agendas. Public comment shall be a standing agenda item.

B. The Chair shall attach to the agenda all documents identified or referenced in the agenda, including but not limited to reports, agreements, resolutions and written motions (hereafter, the agenda and the documents are collectively the "Meeting Packet").

C. For regular meetings of the Board or the Executive Committee, the Chair shall cause the Meeting Packet to be distributed to the Supervisors, posted on the District's website, and made available at the office of the Clerk of the Board by noon of the second business day before the day of the meeting. For example, if the regular meeting is on a Tuesday, the Meeting Packet shall be distributed, posted and made available by noon on Friday.

D. For special meetings of the Board or the Executive Committee, the Chair shall cause the Meeting Packet to be distributed to the Supervisors, posted on the District's website, delivered to entities that have on file with the Board a written request to be notified of special meetings (as provided for in RCW 42.30.080), and made available at the office of the Clerk of the Board at least twenty-four (24) hours before the time of the special meeting.

E. If State law or District resolution requires notice of a public hearing to be published a certain number of days before the public hearing, the Chair shall cause the notice to be published as required. Any documents identified or referenced in the notice, including but not limited to reports, agreements, resolutions, and written motions, shall be posted on the District's website and made available at the office of the Clerk of the Board concurrently with publication of the notice.

F. The failure of the Chair to comply with any Meeting Packet requirement of this Section shall not invalidate or adversely affect an otherwise legal action taken at a meeting; provided that no action shall be taken by the Board of Supervisors on any resolution which has not been distributed, posted, and made available in accordance with the provisions of Subsections 9.C. and 9.D. of this Section.

Section 10. Remote Attendance.

A. Board members may appear at Board of Supervisor or Executive Committee meetings via video conferencing or telephone ("remote attendance") as directed by the Board Chair. The Board shall follow best practices for the conduct of remote meetings.

B. Remote attendance should be announced by the Board Chairperson or Vice-Chairperson in the absence of the Chairperson and will be reflected in the meeting minutes.

PIERCE COUNTY
FLOOD CONTROL
ZONE DISTRICT

Amendment No. 1
Proposal No. R2026-2

March 13, 2026

Hearing Date: April 8, 2026

Subject: **Proposal No. R2026-2, A Resolution of the Pierce County Flood Control Zone District Board of Supervisors Amending the Fund Balance Policy for the Pierce County Flood Control Zone District.**

On page 5 of Exhibit A, add a new section 8.1.4.6 as follows:

"8.1.4.6. Fund Pierce County-administered flood recovery assistance provided to households and businesses damaged by a flood event occurring within the zone that is the subject of an emergency proclamation issued by the governor under RCW 43.06.010."

Contact: Kjristine Lund, Executive Director
Prepared by: Brenna Price, Clerk to the Board

ENGROSSED SUBSTITUTE HOUSE BILL 2442

State of Washington 69th Legislature 2026 Regular Session

By House Finance (originally sponsored by Representatives Berg, Duerr, Parshley, Tharinger, Ryu, Zahn, Wylie, Scott, Peterson, Simmons, Ramel, Bergquist, Ormsby, Pollet, and Macri)

READ FIRST TIME 02/03/26.

AN ACT Relating to providing local governments tax resources and fund flexibility; amending RCW 82.14.530, 82.14.540, 84.52.043, 84.52.043, 84.52.010, 84.52.010, 84.55.050, 82.14.049, and 86.15.080; reenacting and amending RCW 82.46.035; adding a new section to chapter 82.14 RCW; adding a new section to chapter 84.52 RCW; creating a new section; providing effective dates; and providing expiration dates.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Part I
Use of Local Real Estate Excise Tax Revenues

Sec. 101. RCW 82.46.035 and 2025 c 85 s 2 and 2025 c 159 s 5 are each reenacted and amended to read as follows:

(1) The legislative authority of any county or city must identify in the adopted budget the capital projects funded in whole or in part from the proceeds of the tax authorized in this section, and must indicate that such tax is intended to be in addition to other funds that may be reasonably available for such capital projects.

(2) The legislative authority of any county or any city that plans under RCW 36.70A.040(1) may impose an additional excise tax on each sale of real property in the unincorporated areas of the county

for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding 0.25 percent of the selling price. Any county choosing to plan under RCW 36.70A.040(2) and any city within such a county may only adopt an ordinance imposing the excise tax authorized by this section if the ordinance is first authorized by a proposition approved by a majority of the voters of the taxing district voting on the proposition at a general election held within the district or at a special election within the taxing district called by the district for the purpose of submitting such proposition to the voters.

(3) Except as provided in subsection (5) of this section, revenues generated from the tax imposed under subsection (2) of this section must be used by such counties and cities solely for capital projects specified in a capital facilities plan element of a comprehensive plan. However, revenues (a) pledged by such counties and cities to debt retirement prior to March 1, 1992, may continue to be used for that purpose until the original debt for which the revenues were pledged is retired, or (b) committed prior to March 1, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

(4) As used in this section, "city" means any city or town and "capital project" means those public works projects or public investments of a local government for:

(a) Planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems;

(b) Planning, construction, reconstruction, repair, rehabilitation, or improvement of parks;

(c)(i) Planning, construction, reconstruction, repair, rehabilitation, or improvement of either of the following categories of airports:

(A) Airports included in the most recent Washington aviation system plan published by the Washington department of transportation aviation division; and

(B) Airports included in the national plan of integrated airport systems with less than 10,000 annual enplanements as determined by the most recent enplanement data published by the federal aviation administration.

(ii) "Capital project" does not include the installation or improvement of fuel systems for the distribution of leaded fuel at an airport as described in this subsection (5)(c); ((~~and~~))

(d) Planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of facilities for those experiencing homelessness and affordable housing projects; ((~~and~~ ~~(d)~~)) (e) Any use allowed under RCW 82.46.010; and

(f) Abatement of nuisance properties.

(5) Revenues generated by the tax imposed under subsection (2) of this section may be used towards planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of facilities for those experiencing homelessness and affordable housing projects that are supported through an interlocal housing collaboration as established under chapter 39.34 RCW.

(6) A county or city may use the greater of $100,000 or 25 percent of available funds for capital projects as defined in subsection (4)(d) of this section. The limits in this subsection do not apply to any county or city that used revenue under this section for the acquisition, construction, improvement, or rehabilitation of facilities to provide housing for the homeless prior to June 30, 2019.

(7) A county or city using funds for uses in subsection (4)(d) of this section must document in its plan under RCW 36.70A.070(3) that it has funds during the next two years for capital projects in subsection (4)(a) and (b) of this section.

(8) When the governor files a notice of noncompliance under RCW 36.70A.340 with the secretary of state and the appropriate county or city, the county or city's authority to impose the additional excise tax under this section is temporarily rescinded until the governor files a subsequent notice rescinding the notice of noncompliance.

Part II
Local Sales and Use Tax to Fund Services for Children and Families

NEW SECTION. **Sec. 201.** The legislature finds that providing additional services at the local level to get ahead of challenges that many individuals face, particularly children, in order to thrive is important for the success of the citizens of Washington.

The legislature further finds that there are many services that are not addressed through current funding options, including medicaid

and county behavioral health programs. Existing service gaps include crisis stabilization, children mental health therapies, prevention and early interventions, behavioral health modalities, and culturally appropriate models for smaller community-based organizations. Reaching children and their families early is one of the best ways to reduce long-term needs and make a difference in overall mental health status as well as reducing youth violence, drug use, and suicides.

NEW SECTION. **Sec. 202.** A new section is added to chapter 82.14 RCW to read as follows:

(1) The legislative authority of a city or county may by resolution or ordinance impose a sales and use tax in accordance with the terms of this chapter. The rate of the tax imposed by the city or county may not exceed 0.01 percent of the selling price, in the case of the sales tax, or the value of the article used, in the case of the use tax. This tax is in addition to other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the city or county.

(2) Moneys collected under this section must be used solely for the purpose of providing additional services that assist children and their families, including: Child care; perinatal support services; before-school and after-school based youth services that address mental, social, behavioral, and physical health; workforce capacity building; shelter and rental assistance; and client transportation.

(3) If the city adopts an ordinance or resolution to impose the sales and use tax under this subsection, the county in which the city is located must provide a credit against its tax under subsection (1) of this section for the city tax to the extent the total county and city tax rate under this section would exceed 0.01 percent.

Part III
Local Sales and Use Tax for Housing and Related Services

Sec. 301. RCW 82.14.530 and 2021 c 27 s 1 are each amended to read as follows:

(1)(a)(i) A county legislative authority may submit an authorizing proposition to the county voters at a special or general election and, if the proposition is approved by a majority of persons voting, impose a sales and use tax in accordance with the terms of

this chapter. The title of each ballot measure must clearly state the purposes for which the proposed sales and use tax will be used. The rate of tax under this section may not exceed ((~~one-tenth of one~~)) 0.1 percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.

(ii) As an alternative to the authority provided in (a)(i) of this subsection, a county legislative authority may impose, without a proposition approved by a majority of persons voting, a sales and use tax in accordance with the terms of this chapter. The rate of tax under this section may not exceed ((~~one-tenth of one~~)) 0.1 percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.

(b)(i) If a county does not impose the full tax rate authorized under (a) of this subsection by September 30, 2020, any city legislative authority located in that county may:

(A) Submit an authorizing proposition to the city voters at a special or general election and, if the proposition is approved by a majority of persons voting, impose the whole or remainder of the sales and use tax rate in accordance with the terms of this chapter. The title of each ballot measure must clearly state the purposes for which the proposed sales and use tax will be used; or

(B) Impose, without a proposition approved by a majority of persons voting, the whole or remainder of the sales and use tax rate in accordance with the terms of this chapter.

(ii) The rate of tax under this section may not exceed ((~~one-tenth of one~~)) 0.1 percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.

(iii) A county with a population of greater than ((~~one million five hundred thousand~~)) 1,500,000 may impose the tax authorized under (a)(ii) of this subsection only if the county plans to spend at least ((~~thirty~~)) 30 percent of the moneys collected under this section that are attributable to taxable activities or events within any city with a population greater than ((~~sixty thousand~~)) 60,000 located in that county within that city's boundaries.

(c) If a county imposes a tax authorized under (a) of this subsection after a city located in that county has imposed the tax authorized under (b) of this subsection, the county must provide a credit against its tax for the full amount of tax imposed by a city.

(d) The taxes authorized in this subsection are in addition to any other taxes authorized by law and must be collected from persons

who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the county for a county's tax and within a city for a city's tax.

(2)(a) Notwithstanding subsection (4) of this section, a minimum of ((~~sixty~~)) 60 percent of the moneys collected under this section must be used for the following purposes:

(i) Constructing or acquiring affordable housing, which may include emergency, transitional, and supportive housing and new units of affordable housing within an existing structure, and facilities providing housing-related services, or acquiring land for these purposes; or

(ii) Constructing or acquiring behavioral health-related facilities, or acquiring land for these purposes; or

(iii) Funding the rehabilitation, operations, and maintenance costs of new and existing units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.

(b) The affordable housing and facilities providing housing-related programs in (a)(i) of this subsection may only be provided to persons within any of the following population groups whose income is at or below ((~~sixty~~)) 60 percent of the median income of the county imposing the tax:

(i) Persons with behavioral health disabilities;

(ii) Veterans;

(iii) Senior citizens;

(iv) Persons who are homeless or at-risk of being homeless, including families with children;

(v) Unaccompanied homeless youth or young adults;

(vi) Persons with disabilities; or

(vii) Domestic violence survivors.

(c) The remainder of the moneys collected under this section must be used for rental assistance, the operation, delivery, or evaluation of behavioral health treatment programs and services, or housing-related services.

(3)(a) A county that imposes the tax under this section must consult with a city before the county may construct or acquire any of the facilities authorized under subsection (2)(a) of this section within the city limits.

(b) Among other priorities, a county that acquires a facility under subsection (2)(a) of this section must provide an opportunity

for 15 percent of the units provided at that facility to be provided to individuals who are living in or near the city in which the facility is located, or have ties to that community. The provisions of this subsection (3)(b) do not apply if the county is unable to identify sufficient individuals within the city in need of services that meet the criteria provided in subsection (2)(b) of this section. This prioritization must not jeopardize United States department of housing and urban development funding for the continuum of care program.

(4) A county that has not imposed the tax authorized under RCW 82.14.460 prior to October 9, 2015, but imposes the tax authorized under this section after a city in that county has imposed the tax authorized under RCW 82.14.460 prior to October 9, 2015, must enter into an interlocal agreement with that city to determine how the services and provisions described in subsection (2) of this section will be allocated and funded in the city.

(5) To carry out the purposes of subsection (2)(a) and (b) of this section, the legislative authority of the county or city imposing the tax has the authority to issue general obligation or revenue bonds within the limitations now or hereafter prescribed by the laws of this state, and may use, and is authorized to pledge, up to ((~~fifty~~)) 50 percent of the moneys collected under this section for repayment of such bonds, in order to finance the provision or construction of affordable housing, facilities where housing-related programs are provided, or evaluation and treatment centers described in subsection (2)(a)(iii) of this section.

(6)(a) Moneys collected under this section may be used to offset reductions in state or federal funds for the purposes described in subsection (2) of this section.

(b) No more than ((~~ten~~)) 10 percent of the moneys collected under this section may be used to supplant existing local funds.

Sec. 302. RCW 82.14.540 and 2024 c 136 s 1 are each amended to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Nonparticipating city" is a city that does not impose a sales and use tax in accordance with the terms of this section.

(b) "Nonparticipating county" is a county that does not impose a sales and use tax in accordance with the terms of this section.

(c) "Participating city" is a city that imposes a sales and use tax in accordance with the terms of this section.

(d) "Participating county" is a county that imposes a sales and use tax in accordance with the terms of this section.

(e) "Qualifying local tax" means the following tax sources, if the tax source is instated no later than ((~~twelve~~)) 12 months after July 28, 2019:

(i) The affordable housing levy authorized under RCW 84.52.105;

(ii) The sales and use tax for housing and related services authorized under RCW 82.14.530, provided the city has imposed the tax at a minimum or of at least half of the authorized rate;

(iii) The sales tax for chemical dependency and mental health treatment services or therapeutic courts authorized under RCW 82.14.460 imposed by a city; and

(iv) The levy authorized under RCW 84.55.050, if used solely for affordable housing.

(2)(a) A county or city legislative authority may authorize, fix, and impose a sales and use tax in accordance with the terms of this section.

(b) The tax under this section is assessed on the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.

(c) The rate of the tax under this section for an individual participating city and an individual participating county may not exceed:

(i) Beginning on July 28, 2019, until ((~~twelve~~)) 12 months after July 28, 2019:

(A) 0.0073 percent for a:

(I) Participating city, unless the participating city levies a qualifying local tax; and

(II) Participating county, within the limits of nonparticipating cities within the county and within participating cities that do not currently levy a qualifying tax;

(B) 0.0146 percent for a:

(I) Participating city that currently levies a qualifying local tax;

(II) Participating city if the county in which it is located declares they will not levy the sales and use tax authorized under this section or does not adopt a resolution in accordance with this section; and

(III) Participating county within the unincorporated areas of the county and any city that declares they will not levy the sales and use tax authorized under this section or does not adopt a resolution in accordance with this section;

(ii) Beginning ((~~twelve~~)) 12 months after July 28, 2019:

(A) 0.0073 percent for a:

(I) Participating city that is located within a participating county if the participating city is not levying a qualifying local tax; and

(II) Participating county, within the limits of a participating city if the participating city is not levying a qualifying local tax;

(B) 0.0146 percent within the limits of a:

(I) Participating city that is levying a qualifying local tax; and

(II) Participating county within the unincorporated area of the county and within the limits of any nonparticipating city that is located within the county.

(d) A county may not levy the tax authorized under this section within the limits of a participating city that levies a qualifying local tax.

(e)(i) In order for a county or city legislative authority to impose the tax under this section, the authority must adopt:

(A) A resolution of intent to adopt legislation to authorize the maximum capacity of the tax in this section within six months of July 28, 2019; and

(B) Legislation to authorize the maximum capacity of the tax in this section within one year of July 28, 2019.

(ii) Adoption of the resolution of intent and legislation requires simple majority approval of the enacting legislative authority.

(iii) If a county or city has not adopted a resolution of intent in accordance with the terms of this section, the county or city may not authorize, fix, and impose the tax.

(3) The tax imposed under this section must be deducted from the amount of tax otherwise required to be collected or paid to the department of revenue under chapter 82.08 or 82.12 RCW. The department must perform the collection of such taxes on behalf of the county or city at no cost to the county or city.

(4) By December 31, 2019, or within thirty days of a county or city authorizing the tax under this section, whichever is later, the

department must calculate the maximum amount of tax distributions for each county and city authorizing the tax under this section as follows:

(a) The maximum amount for a participating county equals the taxable retail sales within the county in state fiscal year 2019 multiplied by the tax rate imposed under this section. If a county imposes a tax authorized under this section after a city located in that county has imposed the tax, the taxable retail sales within the city in state fiscal year 2019 must be subtracted from the taxable retail sales within the county for the calculation of the maximum amount; and

(b) The maximum amount for a city equals the taxable retail sales within the city in state fiscal year 2019 multiplied by the tax rate imposed under subsection (1) of this section.

(5) The tax must cease to be distributed to a county or city for the remainder of any fiscal year in which the amount of tax exceeds the maximum amount in subsection (4) of this section. The department must remit any annual tax revenues above the maximum to the state treasurer for deposit in the general fund. Distributions to a county or city meeting the maximum amount must resume at the beginning of the next fiscal year.

(6)(a) The moneys collected or bonds issued under this section may only be used for the following purposes:

(i) Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385;

(ii) Funding the operations and maintenance costs of new and existing units of affordable or supportive housing; or

(iii) For providing rental assistance to tenants.

(b) Administrative costs of the county or city associated with administering this section may not exceed 10 percent of the annual tax distributed to the jurisdiction under this section.

(7) The housing and services provided pursuant to subsection (6) of this section may only be provided to persons whose income is at or below 60 percent of the median income of the county or city imposing the tax, or at or below 80 percent of the median income of the county or city imposing the tax if it is supporting the development of affordable housing intended for owner occupancy, as defined in RCW 84.14.010.

(8) In determining the use of funds under subsection (6) of this section, a county or city must consider the income of the individuals and families to be served, the leveraging of the resources made available under this section, and the housing needs within the jurisdiction of the taxing authority.

(9) To carry out the purposes of this section including, but not limited to, financing loans or grants to nonprofit organizations or public housing authorities, the legislative authority of the county or city imposing the tax has the authority to issue general obligation or revenue bonds within the limitations now or hereafter prescribed by the laws of this state, and may use, and is authorized to pledge, the moneys collected under this section for repayment of such bonds.

(10) A county or city may enter into an interlocal agreement with one or more counties, cities, or public housing authorities in accordance with chapter 39.34 RCW. The agreement may include, but is not limited to, pooling the tax receipts received under this section, pledging those taxes to bonds issued by one or more parties to the agreement, and allocating the proceeds of the taxes levied or the bonds issued in accordance with such interlocal agreement and this section.

(11) Counties and cities imposing the tax under this section must report annually to the department of commerce on the collection and use of the revenue. The department of commerce must adopt rules prescribing content of such reports. By December 1, 2019, and annually thereafter, and in compliance with RCW 43.01.036, the department of commerce must submit a report annually to the appropriate legislative committees with regard to such uses.

(12) The tax imposed by a county or city under this section expires ((~~twenty~~)) 20 years after the date on which the tax is first imposed.

Part IV
Property Tax Prorationing

Sec. 401. RCW 84.52.043 and 2024 c 361 s 3 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named are as follows:

(1) Levies of the senior taxing districts are as follows: (a) The levies by the state may not exceed the applicable aggregate rate limit specified in RCW 84.52.065 (2) or (4) adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county may not exceed $1.80 per $1,000 of assessed value; (c) the levy by any road district may not exceed $2.25 per $1,000 of assessed value; and (d) the levy by any city or town may not exceed $3.375 per $1,000 of assessed value. However, any county is hereby authorized to increase its levy from $1.80 to a rate not to exceed $2.475 per $1,000 of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed $4.05 per $1,000 of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

(2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, may not exceed $5.90 per $1,000 of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection do not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing imposed under RCW 84.52.105; (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies for criminal justice purposes under RCW 84.52.135; (i) the portions of levies by fire protection districts and regional fire protection service authorities that are protected under RCW 84.52.125; (j) levies by counties for transit-related purposes under RCW 84.52.140; (k) the portion of the levy by flood control zone districts that are protected under RCW 84.52.816; (l) levies imposed by a regional transit authority under RCW 81.104.175; (m) levies imposed by any park and recreation district described under RCW 84.52.010(3)(a)(viii); (n) levies for county public health clinic operations, maintenance, and capital expenses under section 801 of

this act; (o) the portion of any levy resulting from the correction of a levy error under RCW 84.52.085(3); and ((~~(o)~~)) (p) levies for county hospital purposes under RCW 36.62.090.

Sec. 402. RCW 84.52.043 and 2024 c 361 s 4 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named are as follows:

(1) Levies of the senior taxing districts are as follows: (a) The levies by the state may not exceed the applicable aggregate rate limit specified in RCW 84.52.065 (2) or (4) adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county may not exceed $1.80 per $1,000 of assessed value; (c) the levy by any road district may not exceed $2.25 per $1,000 of assessed value; and (d) the levy by any city or town may not exceed $3.375 per $1,000 of assessed value. However any county is hereby authorized to increase its levy from $1.80 to a rate not to exceed $2.475 per $1,000 of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed $4.05 per $1,000 of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

(2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, may not exceed $5.90 per $1,000 of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection do not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing imposed under RCW 84.52.105; (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies for criminal justice purposes under RCW 84.52.135; (i) the

portions of levies by fire protection districts and regional fire protection service authorities that are protected under RCW 84.52.125; (j) levies by counties for transit-related purposes under RCW 84.52.140; (k) the portion of the levy by flood control zone districts that are protected under RCW 84.52.816; (l) levies imposed by a regional transit authority under RCW 81.104.175; (m) the portion of any levy resulting from the correction of a levy error under RCW 84.52.085(3); ((~~and~~)) (n) levies for county public health clinic operations, maintenance, and capital expenses under section 801 of this act; and (o) levies for county hospital purposes under RCW 36.62.090.

Sec. 403. RCW 84.52.010 and 2024 c 361 s 5 are each amended to read as follows:

(1) Except as is permitted under RCW 84.55.050, all taxes must be levied or voted in specific amounts.

(2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county must be determined, calculated, and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

(3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor must recompute and establish a consolidated levy in the following manner:

(a) The full certified rates of tax levy for state, county, county road district, regional transit authority, and city or town purposes must be extended on the tax rolls in amounts not exceeding the limitations established by law; however, any state levy takes precedence over all other levies and may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 36.69.145 by a park and recreation district described under (a)(viii) of this subsection (3),

84.34.230, 84.52.069, 84.52.105, 36.62.090, section 801 of this act, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, and 84.52.140, the portion of the levy by a flood control zone district that was protected under RCW 84.52.816, and any portion of a levy resulting from the correction of a levy error under RCW 84.52.085(3), the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies must be reduced as follows:

(i) The portion of any levy resulting from the correction of a levy error under RCW 84.52.085(3) must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a flood control zone district that was protected under RCW 84.52.816 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.140 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district or regional fire protection service authority that is protected under RCW 84.52.125 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of

the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(viii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 36.69.145 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated. This subsection (3)(a)(viii) only applies to a park and recreation district located on an island and within a county with a population exceeding 2,000,000;

(ix) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, 36.62.090, section 801 of this act, and any portion of the levy imposed under RCW 84.52.069 that is in excess of 30 cents per $1,000 of assessed value, must be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated; and

(x) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the 30 cents per $1,000 of assessed value of tax levy imposed under RCW 84.52.069 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or eliminated.

(b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:

(i) First, the certified property tax levy authorized under RCW 84.52.821 must be reduced on a pro rata basis or eliminated;

(ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of those

junior taxing districts authorized under RCW 36.68.525, 36.69.145 except a park and recreation district described under (a)(viii) of this subsection, 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or eliminated;

(iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts other than the portion of a levy protected under RCW 84.52.816 must be reduced on a pro rata basis or eliminated;

(iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first 50 cents per $1,000 of assessed valuation levies for metropolitan park districts, and the first 50 cents per $1,000 of assessed valuation levies for public hospital districts, must be reduced on a pro rata basis or eliminated;

(v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the first 50 cents per $1,000 of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, must be reduced on a pro rata basis or eliminated;

(vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) must be reduced on a pro rata basis or eliminated; and

(vii) Seventh, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first 50 cents per $1,000 of assessed valuation levy, and public hospital districts under their first 50 cents per $1,000 of assessed valuation levy, must be reduced on a pro rata basis or eliminated.

Sec. 404. RCW 84.52.010 and 2024 c 361 s 6 are each amended to read as follows:

(1) Except as is permitted under RCW 84.55.050, all taxes must be levied or voted in specific amounts.

(2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

(3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor must recompute and establish a consolidated levy in the following manner:

(a) The full certified rates of tax levy for state, county, county road district, regional transit authority, and city or town purposes must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy takes precedence over all other levies and may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, 36.62.090, section 801 of this act, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, and 84.52.140, the portion of the levy by a flood control zone district that was protected under RCW 84.52.816, and the portion of any levy resulting from the correction of a levy error under RCW 84.52.085(3), the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies must be reduced as follows:

(i) The portion of any levy resulting from the correction of a levy error under RCW 84.52.085(3) must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a flood control zone district that was protected under RCW 84.52.816

must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.140 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district or regional fire protection service authority that is protected under RCW 84.52.125 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(viii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, 36.62.090, section 801 of this act, and any portion of the levy imposed under RCW 84.52.069 that is in excess of 30 cents per $1,000 of assessed value, must be reduced on a

pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated; and

(ix) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the 30 cents per $1,000 of assessed value of tax levy imposed under RCW 84.52.069 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or eliminated.

(b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:

(i) First, the certified property tax levy authorized under RCW 84.52.821 must be reduced on a pro rata basis or eliminated;

(ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or eliminated;

(iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts other than the portion of a levy protected under RCW 84.52.816 must be reduced on a pro rata basis or eliminated;

(iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first 50 cents per $1,000 of assessed valuation levies for metropolitan park districts, and the first 50 cents per $1,000 of assessed valuation levies for public hospital districts, must be reduced on a pro rata basis or eliminated;

(v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the first 50 cents per $1,000 of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, must be reduced on a pro rata basis or eliminated;

(vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional

fire protection service authorities under RCW 52.26.140(1) (b) and (c) must be reduced on a pro rata basis or eliminated; and

(vii) Seventh, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first 50 cents per $1,000 of assessed valuation levy, and public hospital districts under their first 50 cents per $1,000 of assessed valuation levy, must be reduced on a pro rata basis or eliminated.

Part V
Exceeding Regular Property Tax Levy Limitations

Sec. 501. RCW 84.55.050 and 2024 c 114 s 1 are each amended to read as follows:

(1) Subject to any otherwise applicable statutory dollar rate limitations, regular property taxes may be levied by or for a taxing district in an amount exceeding the limitations provided for in this chapter if such levy is authorized by a proposition approved by a majority of the voters of the taxing district voting on the proposition at a general election held within the district or at a special election within the taxing district called by the district for the purpose of submitting such proposition to the voters. Any election held pursuant to this section shall be held not more than 12 months prior to the date on which the proposed levy, or the first of the two consecutive levies, is to be made, except as provided in subsection (2) of this section. The ballot of the proposition shall state the dollar rate or rates, proposed for each year, up to two consecutive years, and shall clearly state the conditions, if any, which are applicable under subsection (4) of this section.

(2) Subject to statutory dollar limitations, a proposition placed before the voters under this section may authorize annual increases in levies for multiple consecutive years, up to ((~~six~~)) 10 consecutive years, during which period each year's authorized maximum legal levy shall be used as the base upon which an increased levy limit for the succeeding year is computed, but the ballot proposition must state the dollar rate proposed only for the first year of the consecutive years and must state the limit factor, or a specified

index to be used for determining a limit factor, such as the consumer price index, which need not be the same for all years, by which the regular tax levy for the district may be increased in each of the subsequent consecutive years. Elections for this purpose must be held at a primary or general election. The title of each ballot measure must state the limited purposes for which the proposed annual increases during the specified period of up to ((~~six~~)) 10 consecutive years shall be used.

(3) After a levy authorized pursuant to this section is made, the dollar amount of such levy may not be used for the purpose of computing the limitations for subsequent levies provided for in this chapter, unless the ballot proposition expressly states that the levy made under this section will be used for this purpose.

(4) If expressly stated, a proposition placed before the voters under subsection (1) or (2) of this section may:

(a) Use the dollar amount of ((~~a~~)) the final levy under subsection (1) of this section, or the dollar amount of the final levy under subsection (2) of this section, for the purpose of computing the limitations for subsequent levies provided for in this chapter;

(b) Limit the period for which the increased levy is to be made under (a) of this subsection;

(c) Limit the purpose for which the increased levy is to be made under (a) of this subsection, but if the limited purpose includes making redemption payments on bonds;

(i) For the county in which the state capitol is located, the period for which the increased levies are made may not exceed 25 years; and

(ii) For districts other than a district under (c)(i) of this subsection, the period for which the increased levies are made may not exceed nine years;

(d) Set the levy or levies at a rate less than the maximum rate allowed for the district;

(e) Provide that the exemption authorized by RCW 84.36.381 will apply to the levy of any additional regular property taxes authorized by voters; or

(f) Include any combination of the conditions in this subsection.

(5) Except as otherwise expressly stated in an approved ballot measure under this section, subsequent levies shall be computed as if:

(a) The proposition under this section had not been approved; and

(b) The taxing district had made levies at the maximum rates which would otherwise have been allowed under this chapter during the years levies were made under the proposition.

Part VI
Sales Tax on Rental Cars

Sec. 601. RCW 82.14.049 and 2020 c 139 s 23 are each amended to read as follows:

(1) The legislative authority of any county may impose a sales and use tax, in addition to the tax authorized by RCW 82.14.030, upon retail car rentals within the county that are taxable by the state under chapters 82.08 and 82.12 RCW. The rate of tax is one percent of the selling price in the case of a sales tax or rental value of the vehicle in the case of a use tax. Proceeds of the tax may not be used to subsidize any professional sports team and must be used solely for the following purposes:

(a) Acquiring, constructing, maintaining, or operating public sports stadium facilities;

(b) Engineering, planning, financial, legal, or professional services incidental to public sports stadium facilities;

(c) Youth or amateur sport activities or facilities; ((~~or~~))

(d) Debt or refinancing debt issued for the purposes of subsection (1) of this section; or

(e) Criminal justice purposes as defined in RCW 82.14.345.

(2) In a county of ((~~one million~~)) 1,000,000 or more, at least ((~~seventy-five~~)) 75 percent of the tax imposed under this section must be used to retire the debt on the stadium under RCW 67.28.180(2)(b)(i)(B), until that debt is fully retired.

Part VII
Flood Control Zone Districts Recovery Assistance

Sec. 701. RCW 86.15.080 and 2010 c 46 s 2 are each amended to read as follows:

A zone or participating zone may:

(1) Exercise all the powers and immunities vested in a county for flood water or stormwater control purposes under the provisions of chapters 86.12, 86.13, 36.89, and 36.94 RCW: PROVIDED, That in

exercising such powers, all actions shall be taken in the name of the zone and title to all property or property rights shall vest in the zone;

(2) Plan, construct, acquire, repair, maintain, and operate all necessary equipment, facilities, improvements, and works to control, conserve, and remove flood waters and stormwaters and to otherwise carry out the purposes of this chapter including, but not limited to, protection of the quality of water sources;

(3) Take action necessary to protect life and property within the district from flood water damage, including in the context of an emergency, as defined in RCW 38.52.010, using covered volunteer emergency workers, as defined in RCW 38.52.010 and 38.52.180(5)(a), subject to and in accordance with the terms of RCW 38.52.180;

(4) Control, conserve, retain, reclaim, and remove flood waters and stormwaters, including waters of lakes and ponds within the district, and dispose of the same for beneficial or useful purposes under such terms and conditions as the board may deem appropriate, subject to the acquisition by the board of appropriate water rights in accordance with the statutes;

(5) Acquire necessary property, property rights, facilities, and equipment necessary to the purposes of the zone by purchase, gift, or condemnation: PROVIDED, That property of municipal corporations may not be acquired without the consent of such municipal corporation;

(6) Sue and be sued in the name of the zone;

(7) Acquire or reclaim lands when incidental to the purposes of the zone and dispose of such lands as are surplus to the needs of the zone in the manner provided for the disposal of county property in chapter 36.34 RCW;

(8) Cooperate with or join with the state of Washington, United States, another state, any agency, corporation or political subdivision of the United States or any state, Canada, or any private corporation or individual for the purposes of this chapter;

(9) Accept funds or property by loan, grant, gift or otherwise from the United States, the state of Washington, or any other public or private source;

(10) Remove debris, logs, or other material which may impede the orderly flow of waters in streams or water courses: PROVIDED, That such material shall become property of the zone and may be sold for the purpose of recovering the cost of removal: PROVIDED FURTHER, That

valuable material or minerals removed from public lands shall remain the property of the state;

(11) Provide grant funds to political subdivisions of the state that are located within the boundaries of the zone, so long as the use of the grant funds is within the purposes authorized under this chapter;

(12) Expend funds, or transfer funds to the county legislative authority in which the zone is located, for the purpose of providing county-administered flood recovery assistance to households and businesses damaged by a flood event occurring within the zone that is the subject of an emergency proclamation issued by the governor under RCW 43.06.010.

Part VIII
County Public Health Clinic Property Tax

NEW SECTION. **Sec. 801.** A new section is added to chapter 84.52 RCW to read as follows:

(1) A county, at the time of levying general taxes, may levy an additional regular property tax, not to exceed five cents per $1,000 of assessed value in any one year, in accordance with this section.

(2) The legislative authority of a county imposing this levy must either:

(a) Impose the levy as a separate levy, independent of the regular property tax levy authorized in RCW 84.52.043(1)(b); or

(b) Impose the levy as part of its levy authorized in RCW 84.52.043(1)(b).

(3) Any tax imposed under this section may only be used for the operation, maintenance, and capital expenses of public health clinics.

(4) The limitations in RCW 84.52.043 do not apply to the tax levy authorized in this section and the limitation in RCW 84.55.010 does not apply to the first year the tax levy is imposed under this section.

(5) For the purposes of this section, "public health clinic" means a fixed or mobile, publicly operated site for the provision of low-barrier public health and other related services including, but not limited to: Primary, dental, and reproductive health care; treatment, control, and prevention of communicable diseases, substance use disorder, and other health conditions; maternal,

infant, child, and family health and nutrition; behavioral health care; assistance with health plan enrollment; and access and referrals to other community services.

Part IX
Miscellaneous

NEW SECTION. **Sec. 901.** Sections 201 and 202 of this act take effect January 1, 2027.

NEW SECTION. **Sec. 902.** Section 401 of this act expires January 1, 2027.

NEW SECTION. **Sec. 903.** Section 402 of this act takes effect January 1, 2027.

NEW SECTION. **Sec. 904.** Section 403 of this act expires January 1, 2027.

NEW SECTION. **Sec. 905.** Section 404 of this act takes effect January 1, 2027.

NEW SECTION. **Sec. 906.** Except for sections 201, 202, 402, and 404 of this act, this act takes effect July 1, 2026.

--- END ---

Fund Balance Policy
Pierce County Flood District
February 18, 2026

~~Attachment A: Fund Balance Policy~~
~~Pierce County Flood District~~
~~Resolution FCZD 2017-4~~

~~October 11, 2017~~

1. Policy Intent

1.1. The Board of Supervisors of the Pierce County Flood Control Zone District (the ~~district~~District) recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the ~~district~~District and is fiscally advantageous for both the ~~district~~District and its taxpayers. This policy is created in consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services.

1.2. This policy is intended to provide guidance to the Board of Supervisors (Board) to establish the appropriate level of unrestricted fund balances to be maintained, the conditions under which the unrestricted fund balance may be used, and the process for reestablishing the unrestricted fund balance after it has been used for an authorized purpose.

1.3. Maintaining a fund balance is necessary to protect the district in the event of a decline in property tax revenues, economic downturns, and emergencies for example. While the ~~district~~District itself has a very small administrative cost, it contracts with other jurisdictions, including Pierce County, through interlocal agreements, to deliver programs, projects, and services.

1.4. Pierce County relies upon district funding to implement the ~~district's~~District's work program including capital projects, maintenance, technical studies, and contract administration.

1.5. This policy establishes goals and provides guidance concerning the desired level of fund balance to be maintained by the district to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and other related contingencies.

1.6. The Government Accounting Standards Board (GASB) Statement 54 provides direction for fund balance reporting which the ~~district's~~District's financial statements will conform.

1.7. This policy is written in lay language to provide clarity to the multiple audiences who review financial information about the district.

2. Fund Balance Definition

2.1. The ~~district~~District is authorized under Chapter 86.15 Revised Code of Washington (RCW), and ~~section~~ RCW 86.15.130 states the county treasurer of each zone shall establish a flood control fund for each zone into which shall be deposited the proceeds of all tax levies, assessments, gifts, grants, loans, or other revenues which may become available to a zone. ~~The Pierce County Department of Finance serves as the county treasurer of the District.~~

2.2. The ~~department~~treasurer shall also establish the following accounts within the zone fund:

2.2.1. For each flood control improvement financed by a bond issue, an account to which shall be deposited the proceeds of any such bond issue; and

2.2.2. An account for each outstanding bond issue to which will be deposited any revenues collected for the retirement of such outstanding bonds or for the payment of interest or charges thereon; and

2.2.3. A general account to which all other receipts of the zone shall be deposited.

2.3. The ~~district's~~District's funds may only be used for purposes authorized under Chapter 86.15 RCW.

2.4. The fund balance is those funds remaining after the ~~district's~~District's assets have been used to meet its liabilities.

2.5. The fund balance is required to be reported in ~~two~~four components: ~~reserved~~Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and ~~unreserved~~Unassigned Fund Balance.

~~2.5.1. Reserved funds cannot be appropriated or spent because of their form or because they must be maintained in tact such as certain financial assets, or are legally limited for a particular purpose such as bond proceeds and legal settlements with restrictions.~~

2.5.1. ~~Unreserved~~ *Restricted Fund Balance* includes amounts that can be spent only for the specific purposes stipulated by external resource providers, or through enabling legislation.

2.5.2. *Committed Fund Balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. (Opportunity Fund and Large Capital Projects Fund).

2.5.3. *Assigned Fund Balance* classification includes amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed, such as for working capital, and strategic reserves.

2.5.4. *Unassigned Fund Balance* is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. Unassigned funds may be used for any purpose authorized by Chapter 86.15 RCW and may be

~~2.5.2.~~ designated to express the ~~district's~~district's intention to use those funds in a particular manner such as working capital, insurance reserves, and ~~district~~other funding ~~policies such as~~needs of the ~~Subregional Opportunity funds to jurisdictions.~~district.

3. **Fund Balances Goals**

3.1. Prudently plan for and fund future expected costs;

3.2. Meet legal, contractual, or existing policy requirements;

3.3. Establish fund amounts for anticipated mismatches between revenue and expenditures;

3.4. Meet seasonal cash flow shortfalls;

3.5. Maintain services during short periods of economic decline;

3.6. Meet emergency conditions including flood disasters; and

3.7. Provide levy rate stability.

4. Fund Balance Policies

4.1. The ~~District's~~District's Board of Supervisors is the highest level of decision-making authority and is responsible for establishing the fund balance policy for the district by resolution.

4.2. Through the annual budget process, the district will determine a multi-objective fund balance sufficient to meet the following purposes:

4.2.1. ~~–~~ The ~~district's~~District's required insurance reserve as determined by the ~~district's~~District's insurance carrier;

4.2.2. ~~–~~ Cash flow reserves shall be maintained at levels so the timing lags between revenues and expenditures are normally covered without incurring negative cash balances.

4.2.3.~~4.2.3.~~ Funds sufficient to continue district operations and meet contract obligations such as the interlocal agreement with Pierce County to provide services to the flood district for 6 months~~;~~: working capital reserve in the amount of 6 months of the annual budget will be maintained as part of assigned fund balance.

4.2.4. The value of any inventory balances and prepaid expenses;

4.2.5. ~~–~~ To the extent district contracts include wind down or minimum payment requirements, the ~~district~~District will maintain a sufficient fund balance to meet these contract obligations;

4.2.6. The principal of any permanent funds that are legally or contractually required to be maintained intact~~,~~; and

4.2.7. The balance of any land or other nonfinancial assets held.

4.3. The ~~district~~District will review any restrictions imposed by law through constitutional provisions or enabling legislation.

4.4. The ~~district~~District will maintain a fund balance equal to the required amount set up in accordance with any debt covenants.

~~4.5.~~ The ~~district~~District will establish ~~subfunds to set~~and report programmatic fund balances, in accordance with Board approval, as part of committed fund balance. The District will set-aside funds ~~awarded to~~for the following ~~grant~~ programs

4.5. as long as these ~~grant~~ programs are a part of the ~~district's work plan~~District's annual budget:

~~1.1.1.~~4.5.1. Opportunity Fund ~~Allocation which~~allocation for each local jurisdiction is 10% of ~~annual district revenue~~the annual levy base for the jurisdiction, or $50,000, whichever is greater.

~~1.1.2.~~4.5.2. ~~Army Corps of Engineers Project Match Allocations~~The District will maintain funds within the Fund Balance for the Lower Puyallup Action Plan and implementation. The District will continue to set aside a minimum of $1 million per year ~~until such time~~for this purpose and will increase the set-aside as ~~the Army Corps of Engineers local match requirements for design costs and construction are known. At that time, through~~feasible in the annual capital

budget process ~~the District may modify this set-aside to achieve the local funding matching~~.

5. Future Capital Program Needs

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

6. Restoring Fund Balance

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

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

7. Financial Planning

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

7.2. ~~7.2.~~ Factors to consider in establishing reserves include:

7.2.1. Future expenditures including equipment reserves;

7.2.2. Cash flow requirements to support operating expenses;

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

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

7.2.5. Relative rate stability from year to year~~,~~; and

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

8. Strategic Reserve Fund

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

8.1.2. The strategic reserve will be replenished by allocating interest income, refunds, project savings, and other unanticipated revenues to the strategic reserve fund.

8.1.3. The Executive Committee will make recommendations to the Board of Supervisors about projects, programs, or activities to be funded from the strategic reserve and may do so during the regular annual budget process, or at any regular or special ~~meeting~~ meetings of the Board of Supervisors throughout the year.

8.1.4. The strategic reserve fund may be used to fund the following activities:

8.1.4.1. Advance funds to previously approved projects in the six-year CIP that are in a position to use the funding in that fiscal year;

8.1.4.2. Increase the set-aside for ~~the General Investigation~~ local match;

8.1.4.3. Fund one-time capital expenditures;

8.1.4.4. Fund one-time operating costs~~,~~; and/or

8.1.4.5. Fund emergent needs.

~~8.1.5.~~ It is the ~~District's~~District's goal to replenish expenditures from the strategic reserve in section 8.1.4 within three years to a level of $2.5 million.

8.1.5.

8.1.6. It is the ~~District's~~District's intent that jurisdictions receiving assistance from the strategic reserve demonstrate a local match toward the expenditure as determined by the district administrator.

Lower Puyallup Action Plan

Planning Process and Task Force

PIERCE COUNTY
FLOOD CONTROL
ZONE DISTRICT

March 18, 2026

1

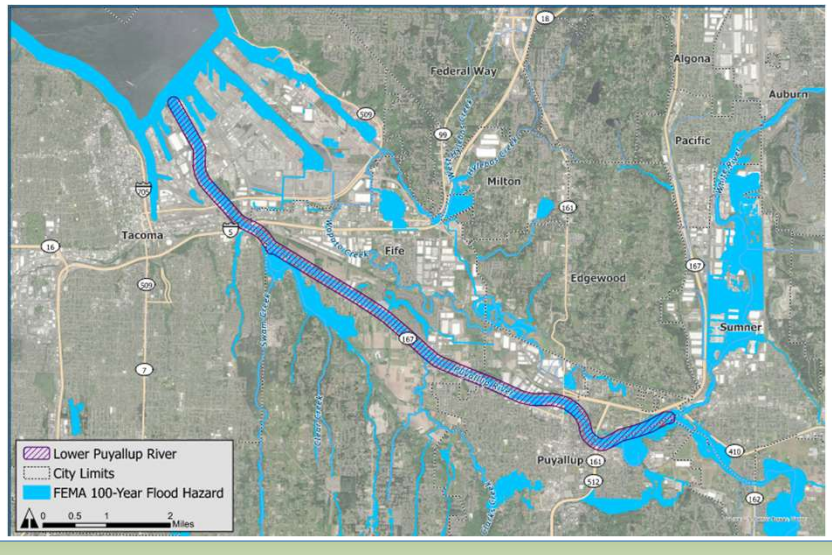
Lower Puyallup Action Plan



Slide 2

2

Lower Puyallup Action Plan



Slide 3

3

Lower Puyallup Action Plan

Protecting the Lower Puyallup

The Lower Puyallup is home to:

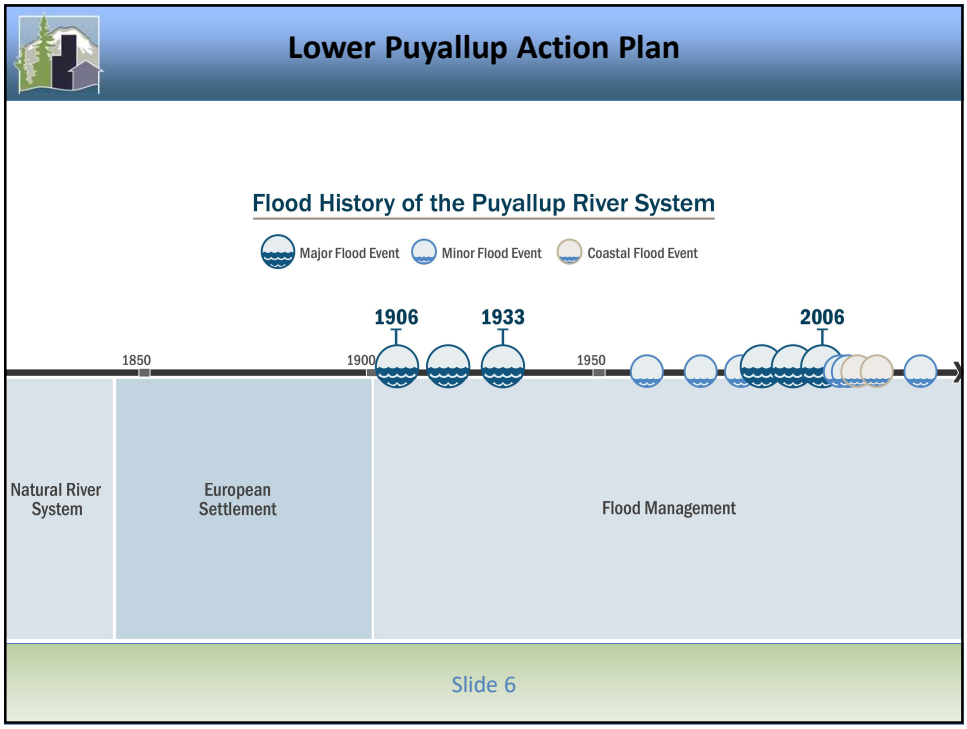
- Over 30,000 people living in the Valley and floodplain
- Over 40,000 people employed in the Valley and floodplain
- NW Seaport Alliance (Port of Tacoma)
- Millions of dollars in income from businesses of all sizes
- Puyallup Tribe of Indians
- Major transportation routes
- Threatened salmon and other aquatic animals
- Agricultural land
- Parks, trails, and natural areas
- Public facilities

Slide 4

4

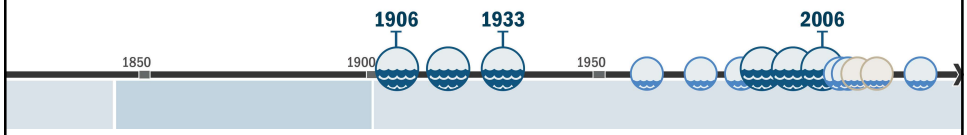

Lower Puyallup Action Plan
Our Call to Action
Slide 5

5


Lower Puyallup Action Plan
Flood History of the Puyallup River System
Major Flood Event
Minor Flood Event
Coastal Flood Event
1906
1933
2006
1850
1900
1950
Natural River System
European Settlement
Flood Management
Slide 6

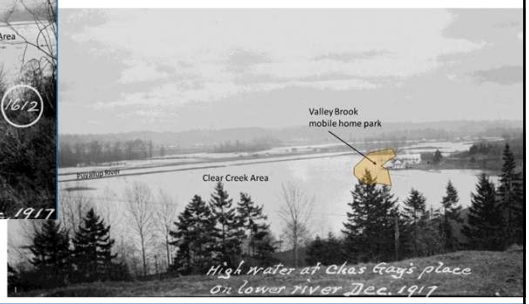
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Lower Puyallup Action Plan





1917 Flood Event



Slide 7

7

Lower Puyallup Action Plan

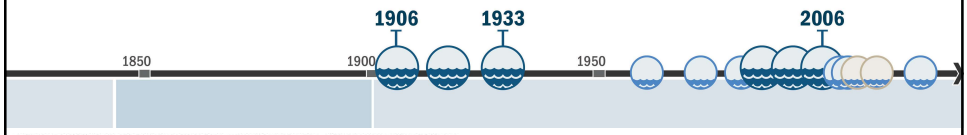
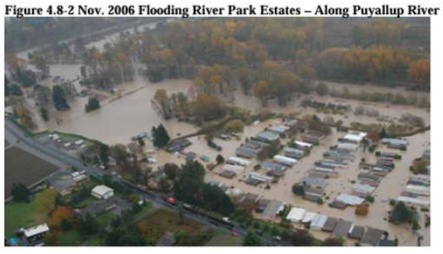


Figure 4.8-2 Nov. 2006 Flooding River Park Estates – Along Puyallup River



2006 (County-wide) Flood Event

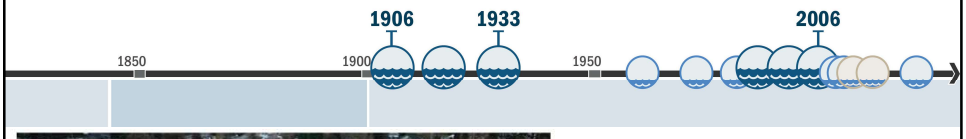
Figure 4.8-3 Nov. 2006 Flooding State Route 410 – Along Puyallup River



Slide 8

8

Lower Puyallup Action Plan





Water flows over the banks of the Puyallup River near the Golden Rose 55+ Community in Puyallup on Wednesday, Dec. 10, 2025. Brian Hayes *Brian Hayes / bhayes@thenewstribune.com*

2025 Event

Slide 9

9

Lower Puyallup Action Plan

We envision a Lower Puyallup River corridor where flood risk is significantly reduced to our communities and industrial centers through strategic actions such as floodplain reconnection, levee setbacks, structural solutions, land conservation, and integrated land-use planning. This vision embraces collaboration among local municipalities, Tribal governments, and partners to create a dynamic system that balances human safety, ecological integrity, and economic vitality for generations to come.

Slide 10

10

Lower Puyallup Action Plan

What Now?

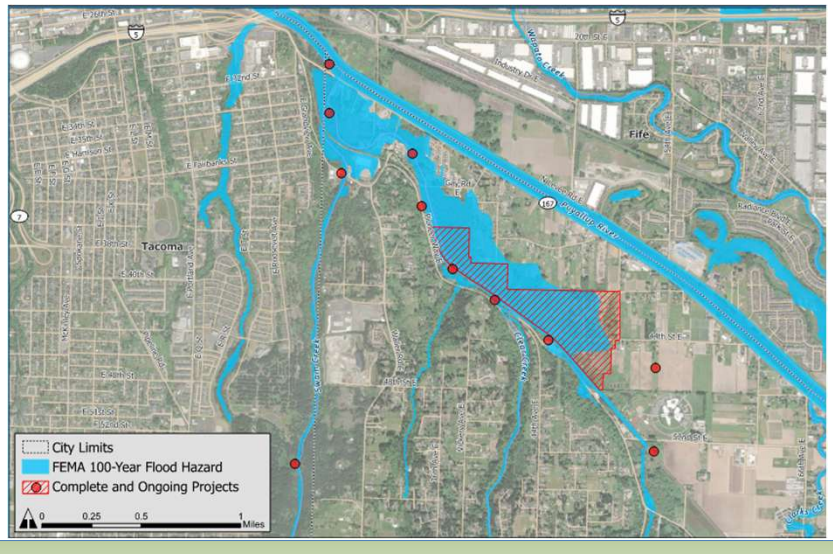
How do we apply this vision to the Lower Puyallup?

- Previously identified projects from past studies and analyses
- New analyses and projects will be identified
- Apply lessons learned

Slide 11

11

Lower Puyallup Action Plan



Slide 12

12

Lower Puyallup Action Plan







Strategies

- Reconnect floodplain through levee setbacks and side channel reconnection
- Remove structures at-risk of flooding through parcel acquisition and demolition

Slide 13

13

Lower Puyallup Action Plan







Strategies

- Preserve agricultural land through conservation easements
- Identify agricultural resiliency opportunities and action plans

Slide 14

14

Lower Puyallup Action Plan







Slide 15

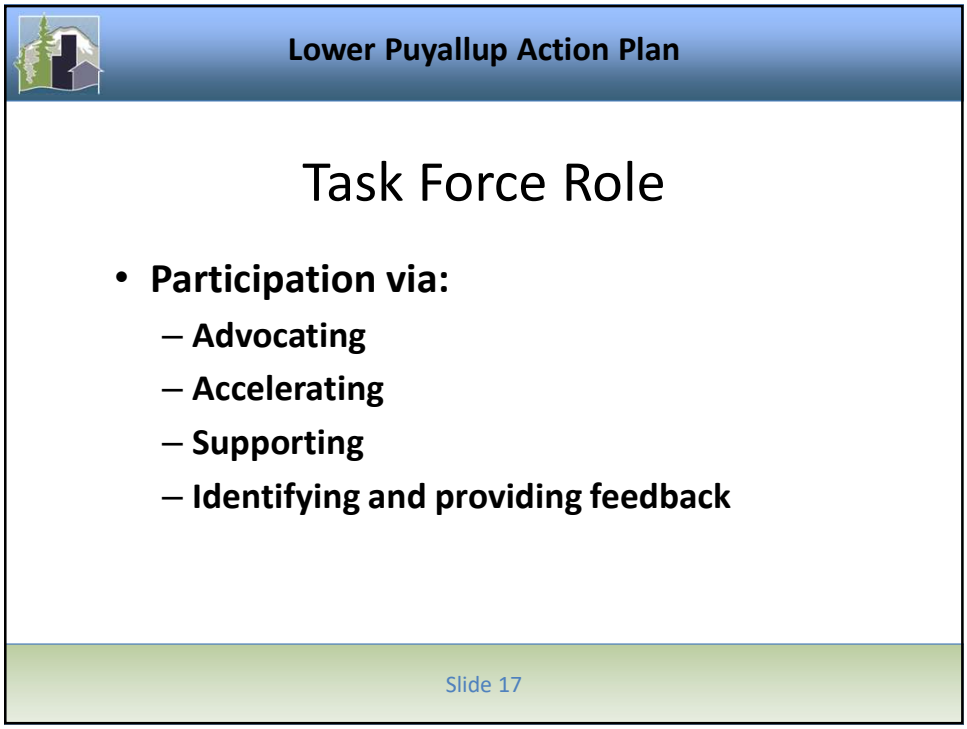
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Lower Puyallup Action Plan

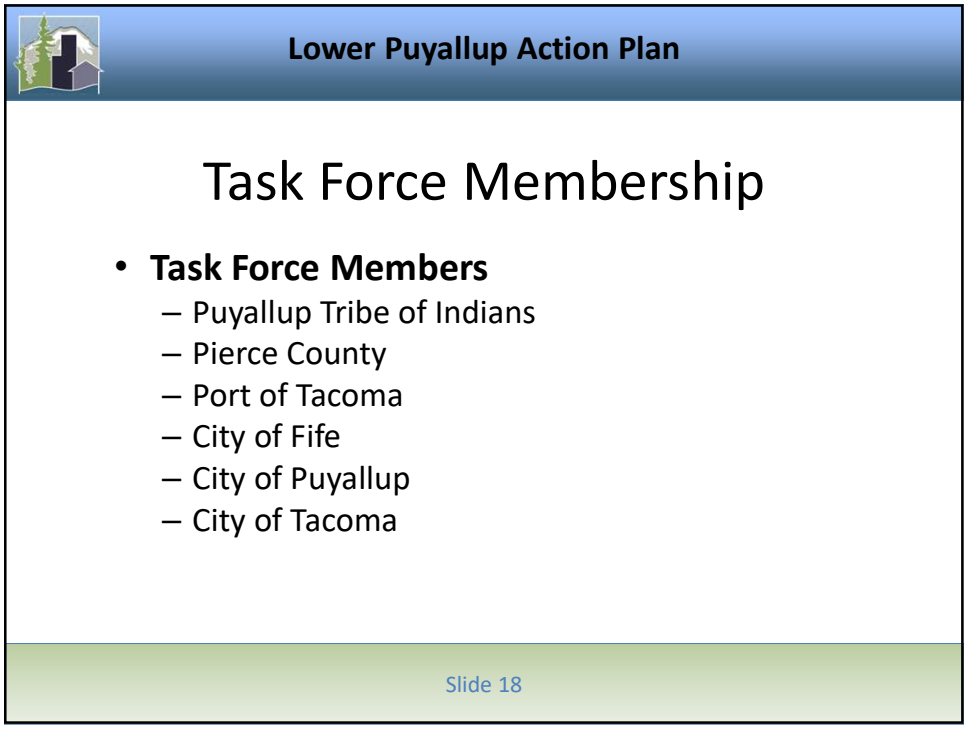


Slide 16

16


Lower Puyallup Action Plan
Task Force Role
• Participation via:
– Advocating
– Accelerating
– Supporting
– Identifying and providing feedback
Slide 17

17


Lower Puyallup Action Plan
Task Force Membership
• Task Force Members
– Puyallup Tribe of Indians
– Pierce County
– Port of Tacoma
– City of Fife
– City of Puyallup
– City of Tacoma
Slide 18

18

Lower Puyallup Action Plan

Tentative Schedule



Slide 19

19

Lower Puyallup Action Plan

Questions?

Slide 20

20