



King County
Metropolitan King County Council
Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item No.:	<u>3-6</u>	Date:	<u>October 7, 2009</u>
Proposed Ord. No.:	<u>2009-0559.1</u> <u>2009-0560.1</u>		
Proposed Mot. No.:	<u>2009-0561.1</u> <u>2009-0562.1</u>	Prepared By:	<u>Rebecha Cusack</u>

SUBJECT

The Council has before it today four pieces of legislation relating to possible flooding in the Green River Valley. **Proposed Ordinance 2009-0559.1** is a \$34.62¹ million supplemental appropriation request which would provide *emergency* funding for planning and mitigation. The remaining ordinance and motions relate to borrowing the funds to pay for the \$27.225 million general funds requested with the remaining \$7.399 million coming from Wastewater fund balance. This legislation follows Council action that enabled the Executive to issue a "Local Proclamation of Emergency" on September 10, 2009.

ISSUE

1. *General fund: During a time of difficult financial constraints, is it a reasonable policy and business decision to borrow \$27.225 million to implement a planning and mitigation strategy to provide enhanced protection of public safety, public health and property in advance of a possible flood caused by the damage of the Howard Hanson Dam abutment when there is no guarantee of federal reimbursement?*
2. *Wastewater Treatment Construction fund: During a time of difficult financial constraints, is it a reasonable policy and business decision to borrow \$7.399 million to implement a planning and mitigation strategy to provide enhanced protection of public safety, public health and property in advance of a possible flood caused by the damage of the Howard Hanson Dam abutment when there is no guarantee of federal reimbursement?*

BACKGROUND

After record levels of water were held behind the Howard Hanson Dam² in January 2009 the U.S. Army Corps of Engineers [USACE] became concerned after discovering "two depressions in the right abutment, increased water levels in groundwater monitoring wells, and the appearance of sediment-laden water entering the abutment drainage tunnel." According to the USACE while the dam itself is not in immediate danger of failing, there is increased risk to downstream flooding because they can't operate the dam to its full capacity without risking significant damage to the right abutment. The chance of flooding

¹ As transmitted the total requested was \$32,225,374 but was requested to be increased by \$2,247m as figures were refined by the Wastewater Treatment Division

² Built in 1962 the Howard Hanson Dam is owned and operated by the USACE with a primary purpose of flood control and a secondary purpose of water supply for Tacoma and some other regional customers within King County

downstream communities has been stated as 1-in-3. Since the discovery they have been installing a “grout curtain” and improving drainage of the right abutment. They expect work to be substantially complete by November 1 at which time they may be able to provide revised estimates to the range of risk of downstream flooding.

Because of concern that among other things, the federally owned and managed Dam as the primary flood protection facility for the entire Green River Valley would not have permanent repairs completed within the next 3 to 5 years, and the current compromise of the right abutment could lead to release of water into downstream levees which were not designed to accommodate such flows and would lead to flooding of the Valley, the Council adopted Ordinance 16639 on August 29, 2009, thereby enabling the Executive to issue a “Local Proclamation of Emergency” on September 10, 2009. This declaration authorized the waiver of county procurement procedures for emergency purposes. On Monday, October 5th, the Council extended this emergency waiver via Motion 2009-0545 through March 31, 2010.

As characterized in the Executive’s transmittal letter, emergency preparedness and responsiveness generally falls into four phases: [1] planning, [2] mitigation, [3] emergency response, and [4] recovery and restoration. Because the Federal Emergency Management Agency (FEMA) would engage when flooding occurs, *the package of legislation under consideration relates to funding for planning and mitigation in advance of a flood.* At page 2 of his transmittal letter Executive Triplett states emphatically:

“Unfortunately, all that thrives in the modern Green River Valley is now in jeopardy of serious flooding incidents beginning this fall as a result of a now compromised Howard Hanson Dam. The situation with the Howard Hanson Dam has created unique circumstances where a problem with a federal dam has become a local and regional problem. King County must proactively plan for the potentially disastrous results of widespread flooding this fall and winter in the Green River Valley. If we do not prepare for the flood, the results could be even more catastrophic.”

This is underscored by a statement on page 5 of the transmittal letter where the Executive notes that a 2006 study indicated economic activity losses of \$46 million per day, and a recent draft study by FEMA estimates a range of flood damages totaling from \$1.3 - \$3.8 billion.

There is lack of certainty of how the grout curtain being installed will perform or when the dam could be rebuilt. The USACE has stated that it will have a clearer picture at the end of the upcoming rainy season. Therefore, at page 7 of his transmittal letter, the Executive concluded that the risk assessment was such that *“King County has to make wise decisions to protect citizens, businesses and critical infrastructure in the face of significant ambiguity before November 1st, the start of the flood season.”*

In addition to this request, via *separate* legislation sent to the Flood Control District, the Executive is requesting \$8.4m for levee repair.

SUMMARY

Proposed Ordinance 2009-0559 would appropriate just over \$27.2 million into fund 3141 – building repair and replacement to cover costs associated with general fund proposals.³

³ Three capital projects would be created #395009 – DJA Exhibit Space (Evidence) = \$149,142, #395929 – Green River Flood Preparation = \$22,538,670, 395930 – Green River Flood Preparation Contingency = \$4,537,562. As proposed BANs totaling \$29,000,000 would be issued in November or December. A subsequent 10 year bond would be issued in 2011 with annual debt service of payments \$3.4 million.

According to the Executive transmittal having costs centralized in one capital project will facilitate consistent accounting costs for FEMA in a format acceptable to them, which is critical for reimbursement purposes.

Expenditures – general fund:⁴

Agency	Expenditure	TLT
Facilities Management Division [FMD]	\$10,511,993	2.50
FMD – 20 % Contingency	\$4,537,562	
Office of Information and Resource Management [OIRM]	\$4,467,911	
Elections	\$3,219,744	
Animal Control	\$951,800	
Department of Adult and Juvenile Detention [DAJD]	\$1,873,849	
Executive Office - Communications	\$530,100	
Scanning/Digitizing Files: <i>Judicial Administration, Superior Court, Jail Health, Public Health, and Prosecuting Attorney</i>	\$344,501	
Records and Licensing Section [RALS]	\$217,700	
Emergency Management	\$150,000	3.00
King County Sheriff's Office	\$118,317	
Human Resources Division	\$102,535	
District Court	\$27,720	
Department of Executive Services	\$22,500	1.00
DJA evidence storage	149,142	
Total	\$27,225,374	6.50

Non-general fund

Wastewater:

Agency	Expenditure	TLT
Wastewater Treatment Division	\$7,399,300	0

This proposed ordinance would further appropriate approximately \$7.4 million into the Wastewater Treatment fund 4616, project GRFP03 Green River Flood Preparation. Of that request there is a contingency of \$1.04 million.

Department of Transportation:

The Department of Transportation's Transit and Road Divisions will also have "relatively minor" mitigation costs until a flood occurs. According to the Executive's proposal the department can absorb these non-quantified planning and mitigation expenditures within existing resources.

Funding Sources:

These expenditure requests are supported with the following funding sources:

Funding Source	Amount
Sale of Bond Anticipation Notes	\$27.225 million
Wastewater fund balance	\$7.5 million
Total	\$34.7 million

Analysis:

⁴ Green River Flood Supplemental Crosswalk, Attachment E, provides greater internal detail within each category

Staff is in the preliminary stages of analysis on this funding request. Analysis will continue with a goal of having the Committee prepared to act on this package of legislation on October 14, 2009.

The 2009 request for planning and mitigation funds are proposed to be placed in the building repair and replacement fund for “easy” tracking of any FEMA reimbursement. There are no requests for 2010 in this proposal; the Executive has indicated that those requests would come later this fall. Because the request is for planning and mitigation there is no certainty that there would be any federal reimbursement of these expenditures.

Excepting the Earlington Building the county mitigation efforts proposed are guided by a 17,600 cfs⁵ [cubic feet per second] modeling assumption agreed to by the cities, county, USACE and emergency managers in May 2009. Due to the dynamic nature of flood planning this proposal for funding has a high degree of plasticity.

The primary general fund cost drivers in the general fund are directly related to costs that would be incurred if there is a need to relocate or evacuate facilities. A decision to relocate or evacuate from the Maleng Regional Justice Center [MRJC] alone is the highest cost driver of all, followed by the Earlington Building.

General Government Owned facilities within the Green River Valley and level of proposed protection
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Maleng Regional Justice Center. Houses up to 1,384 inmates through the Department of Adult and Juvenile Detention (DAJD), Jail Health Services (JHS), contains courtrooms serving the Superior [19] and District Courts [2], Department of Judicial Administration staff, Prosecuting Attorney’s Office (PAO) staff, Office of the Public Defender staff, and Criminal Investigation Division staff. Applying the 17,600 cfs planning standard the USACE predicts *two to three feet* of water at ground floor elevations in the detention portion of the facility and *five to six feet* in the courthouse portions. Based on recommendations of the County’s consultant a protective perimeter wall will be built around the facility at a cost of \$1.1 million.

A multi-phased planning approach to relocation is proposed: [a] Currently 800 inmates are housed at the facility. Of these, 200 inmates will be relocated to the King County Correctional Facility (KCCF) effective November 1st, the remaining 600 would be relocated to other facilities in the region such as Pierce, Kitsap and Snohomish when there is an imminent flood warning. Inmates in this category would be returned to reoccupy the facility if no flooding occurs. This cycle of relocation/reoccupancy would continue until the risk assessment yields that it is unsafe to reoccupy the facility. Funding to reach five days of sheltering is included in the proposal. Should it appear that relocation needs to occur sooner than the four day weather noticing available, contingency funds totaling \$656,333 [35%] are included in the proposal to allow for alternate plans – this is in addition to the \$4.5 m budgeted in FMD, [b] Jail Health Services will replicate DAJD relocation efforts, and [c] all other occupants would remain in the facility until a threat of imminent danger in which case they would relocate. Unlike DAJD, once these agencies leave they will not be returning to the facility until after the end of the winter storm/flood season when risk assessment can be performed. Since the planning process is fluid, there may be changes to this approach.

⁵ 17,600 cfs assumes a 100 year event at a pool elevation of 1185. The 17,600 cfs scenario was chosen as a common map for the different entities to begin their planning for emergency response because of its broad geographic distribution of its impact.

Because of the dynamic nature of the planning process these will not be one-time expenditures.

Earlington Building – Elections Facility: Elections is legally required to count ballots and certify election results within three weeks of Elections day, which is November 3rd this year [this timeline falls within the heart of the potential flood season]. For that reason the Executive raised the planning standard for elections to a 25,000 cfs⁶ model which showed that under that scenario the building would be inundated with 6' to 10' of water. Rather than building a perimeter wall around the building at an estimated cost of from \$3-5 million, under Executive authority Elections was relocated from the Earlington building to the King County Operations Center [AOC]. This move has been completed allowing time for re-certification by the Secretary of State. Examples of work that is required related to the move are heating, installation of security systems, cabling/wiring, information technology infrastructure and heating/ventilation/air conditioning [HVAC].

It was determined that from a cost-benefit perspective, no extraordinary measures to protect the facility would be undertaken as it would be more cost-effective to rely on insurance coverage.

The lease for the AOC is available for about eight months according to the Executive's transmittal. Therefore, this may not be a one-time expenditure.

Black River Building: Houses the Department of Development & Environmental Services (DDES), Public Health – Environmental Health Division, Assessor and Hearing Examiner staff and is located near the Earlington Building in Renton. However, under the scenario proposed by the Executive, the 17,600 cfs standard will be applied to this facility rather than the higher planning standard of 25,000 cfs applied to Earlington. Modeling levels at 17,600 cfs show that the first floor of the building will likely remain dry. Should flooding occur a combination of approaches involving relocation to other existing County space, telecommuting or relocating to other temporary leased space will be pursued. Preventive protection would be limited to installing modest floor protection measures such as backflow prevention valves at a cost of approximately \$50k.

If relocation occurs, it may not be a one-time expense.

Animal Shelter: The 17,600 cfs model yields that this facility would be under two-to-three feet of water, and that post flood restoration is cost ineffective. The proposal is to mothball the facility and relocate some of the functions. This issue is embedded in a separate proposal under consideration by the Council. On August 31, 2009 the Council adopted Motion 13050 in which the Executive was to provide a preliminary animal care and control disaster and emergency response plan to Council by October 1, 2009 outlining a thorough emergency response should the King County animal care and control shelters be affected by severe flooding related to the Green river. This plan was not received. Staff advised that "The Executive will be transmitting a letter to Council Chair Constantine that requests an additional two weeks to complete the report. The primary reason for the request is that alternative locations for the shelter have not yet been finalized. The Facilities Management Division is working diligently with KCACC and other partners to complete this task."

⁶ 25,130 cfs assumes a 100 year event at a pool elevation of 1167

It is unclear at this writing of the total expenses related to the Executive proposed approach.

Aukeen District Court: This facility is owned by the County and houses District Court and Kent Municipal Court. Under an interlocal agreement the city of Kent is in the process of expanding the facility at their expense. King County policy has directed that District Court operations move out of the facility. The interlocal agreement gives the City the right to purchase the building as soon as the County can vacate the site.

One foot of flooding would occur on this site under 17,600 cfs modeling. As a preventive a perimeter wall would be installed to protect the building from floodwaters at a cost of \$260,000. In addition to this wall the County is working with the City to provide perimeter protection to the rest of city of Kent's criminal justice complex which is collocated at the Aukeen site. Staff would be moved only if a flood was imminent. This may not be a one-time expense.

Wastewater Owned facility

Wastewater Treatment Division (WTD) – South Treatment Plant: The treatment plant is located on the border of the 17,600 cfs modeled flood zone. In a 25,000 cfs scenario it is expected to experience significant high water surrounding the facility. Operation of the plant is essential to the region for public health purposes, and also will serve as an additional drainage point for flood water entering its system. Therefore WTD is preparing to staff and operate the plant at a time when the surrounding area is flooded and available power sources potentially compromised. Plans are to shelter staff including acquiring emergency health and safety equipment and supplies necessary to support treatment plant operations crews in working 16-18 hour shifts for periods of 5-7 days at a time without leaving the plant. This approach also provides for emergency generators to be rented to back-up power equipment and power generators. Construction and installation of flood protection barriers along the east perimeter of the Plant, Interurban Pumping Station, several wastewater siphon crossings along the Green River and other miscellaneous wastewater conveyance structures are included in the plan.

These may all be one-time expenses.

General Government leased facilities within the Green River Valley and level of proposed protection

The proposed supplemental also addresses relocation of operations in leased facilities:

Data Center (Sabey Complex): there is no plan to relocate operations; this facility is expected to remain dry even under the 25,000 cfs modeling scenario.

Meeker/Gowe Building: space is leased in this facility for the PAO. At 17,600 cfs there is the likelihood that this facility will flood. The County has encouraged the landlord to take protective measures. If flooding is imminent the staff will be temporarily relocated to a combination of King County Courthouse and leased space.

If this occurs it may not be a one-time expense.

Kent & Renton Superior Court Probation Offices: Approximately 25 probation staff is located in leased space. They may need to be relocated to downtown Seattle along with other Superior Court staff. The Executive is also pursuing short term, co-located lease opportunities for the staff including collocating Kent staff at the probation office in Renton.

These may not be one-time expenses.

Public Health: Public health delivers services at sites in or near the 17,600 cfs inundation area. *Auburn Health Clinic* will not be flooded in this scenario but the proposed supplemental provides funding for an emergency generator in order to counter power outage risk and funding for a back-flow valve to limit water damage. The *Alder Square* facility lies in the area of risk for flood inundation and would remain operational through December 31, 2009 as it is slated for closure under the Executive's 2010 budget proposal. In the event of imminent flooding staff would be relocated to alternate lease space. *Emerald City Warehouse* contains emergency supplies and is relocated to the potential new location for the Radio Shop and EMS/Administration.

These may not be one-time expenses.

Radio Shop: Located in leased space in Tukwila, the Radio Shop is at high risk of flood damage in the 17,600 cfs flood scenario. It is an essential operation facility which supports the public safety operations of the County and most suburban cities, police, fire and utility districts. *Therefore it is being relocated before the flood season.* The Executive has identified potential sites in which EMS/Medic offices and vehicle bays in the flood zone could be colocated with the Radio Shop.

These may not be one-time expenses.

Term limited Temporary (TLT's) staff and consultant funding requests
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FMD: The Division has hired 2.5 TLT's to manage flood planning and prepare for FEMA reimbursement for flood related costs. This flood planning team is also working with FEMA and King County's accounting system experts to establish reporting mechanisms which will maximize federal reimbursement. The Executive has emphasized the critical nature of this role in the County's ability to recoup costs. In addition they have retained consultant services through Parametrix to evaluate potential flood damage to county facilities.

The Office of Emergency Management (OEM): At a cost of \$50k OEM is requesting 3.0 TLT's; 2 of the positions will be used to implement an Operation Response Plan related to Emergency Support Function 6 (EFS 6) in the County's emergency management plan. As characterized these positions are working in companion with two planners provided by the State who have been loaned to the County for 90 days. The State planners will complete the Operational Response Plan required by EFS 6, upon completion of the plan the two proposed TLT's will be required to implement it, including defining roles and responsibilities in mass care services including sheltering⁷, emergency feeding, first aid and disaster welfare information.

⁷ It is anticipated that in the event of a flood the County will need 1-to-2 mega-shelters that will be managed by the Red Cross to shelter an estimated 4k displaced individuals. Sheltering plans for persons and pets are in progress. Red Cross can provide the cots, blankets, meals, comfort kits and other needed supplies for sheltering of persons according to the Executive's transmittal.

A third TLT at \$25k is proposed for a field coordinator who will be in charge of volunteers in the event of a flood. This type of function was identified by Fargo, North Dakota as a key source of their success in responding to the severe flooding of the Red River.

Department of Executive Services: The Division has requested 1 TLT position in order to hire a business finance officer for the remainder of 2009 to track and seek FEMA reimbursement; the position may be extended in to 2010.

Other needs

In addition to items already covered agencies have indented the following needs:⁸

Facilities Management Division [FMD]	Flood planning, facility protection, lease costs, early relocation move costs, relocation capital/tenant improvements, heavy equipment, pumps, generators and sheltering in-place contingency for MRJC
FMD – 20% Contingency	A contingency request for unforeseen circumstances or unanticipated costs of 20% is included
Office of Information and Resource Management [OIRM]	Costs associated with relocation efforts include server moves, telecom infrastructure installation, enhancing the capacity of the alternate data center, ensuring uninterrupted e-mail service, and installing network devices.
Elections	Installation of security cages for storing ballots and equipment, resources for communicating with voters, relocation of specialized industrial equipment used for ballot sorting and tracking, network and telecom equipment, cabling & installation, furniture deconstruction and move preparation
Animal Control	Increases volunteer coordinators from part-time to full-time to manage higher volumes and a more complex network of sheltering, \$500k to cover the cost of temporary fencing, storage, plumbing and electrical infrastructure, moving costs to the animal control line of business and lease costs for a location that could serve a private non-profit service delivery substitute
Department of Adult and Juvenile Detention [DAJD]	Early evacuation of 200 inmates and emergency evacuation of the MRJC
Executive Office - Communications	Advertisements – radio, bus, TV; brochure mailings
Scanning/Digitizing Files: <i>Judicial Administration, Superior Court, Jail Health, Public Health, and Prosecuting</i>	Boxes of documents need to be scanned in advance of a flood; it is argued that this is more cost effective than moving hundreds of boxes into

⁸ See Executive letter beginning at page 17 for a richer description as well as the Executive provided Green River Crosswalk, Attachment F

Attorney	storage
Records and Licensing Section [RALS]	There will be a need to store a number of records that aren't proposed to be scanned. This will require additional shelving and storage
Emergency Management	GIS mapping, public care and sheltering support
King County Sheriff's Office	Basic water rescue training for 30 deputies, helmets, 2 rafts, communications equipment
Human Resources Division	Volunteer registration teams
District Court	Mileage reimbursement as required by collective bargaining agreement with clerk's
DJA	Evidence storage

Proposed Ordinance 2009-0560, Proposed Motion 2009-0561 and Proposed Motion 2009-0562 are the financing vehicles for to support the supplemental appropriation requests provided above in Proposed Ordinance 2009-0559.1. Bans would be sold

Background

Bond Anticipation Notes:

Bond Anticipation Notes (BANs) are issued by the County to serve as a "line of credit" or short-term loan, pending the issuance of bonds to cover long-term debt financing. The use of BANs during the early stages of a project allows the County to be more precise with the aggregate amounts issued when the projects are converted to long-term financing. This short-term financing could also be provided by way of interfund loans. However, BANs are preferred in lieu of interfund borrowing due to lower interest rates. This difference is illustrated below.

<u>Borrowing Type</u>	<u>Estimated Interest Rate</u>	<u>Annual Interest Charge on \$27.2 million</u>
BAN	0.70 to 0.80%	\$190,400 to \$217,600
Interfund Borrowing	1.45%	\$394,400

For a \$27.2 million loan, a BAN would cost approximately \$175,000-\$200,000 less in interest than an interfund loan.

<u>Borrowing Type</u>	<u>Estimated Interest Rate</u>	<u>Annual Interest Charge on \$29 million</u>
BAN	0.70 to 0.80%	\$203,000 to \$232,000
Interfund Borrowing	1.45%	\$420,500

For a \$29 million loan, a BAN would cost approximately \$190,000-\$220,000 less in interest than an interfund loan. The Executive's proposal calls for the issuance of a BAN for one year with conversion of the borrowing to long-term debt at the conclusion of the BAN period. BANs are typically issued with a one-year maturity. If the short-term financing is needed for longer than one year, the initial series of BANs are retired through a subsequent issuance of BANs. This process can be repeated until the capital project is

complete and the limited tax general obligation (LTGO) bonds for permanent financing are sold.

Fixed Interest Rate Debt:

The County typically issues bonds with a fixed interest rate whereby the bonds are issued for an extended period of time (usually 20-30 years) at an interest rate that is fixed at the time of the sale. The clearest comparison is to that of a home mortgage where the homeowner pays equal installments over the life of the loan.

Limited Tax General Obligation Bonds:

LTGO bonds (also known as council manic bonds) are the type of bonds commonly issued by the County. These bonds include a promise of the full faith and credit of the issuing agency. This means that the promise extends only to the taxing authority of the County without a vote of the people. Bonds issued with voter approval are referred to as unlimited tax general obligation bonds or simply general obligation bonds.

Debt Policy

Motion 11196 was enacted in May 2001. This motion enacts practices for the issuance of King County’s general fund debt. The motion defines general fund debt obligations and sets forth the purposes and uses of debt. The motion also states that the county seeks to maintain a bond rating of Aa1 (Lower than our current rating) and sets the debt limit at 5% of general fund revenues. The motion also specifies under what conditions the 5% limit can be exceed. As you will note in the table below, should the county issue all the currently planned for debt, and not receive federal reimbursement for the planned borrowing for this project, the County will exceed its debt capacity limit in 2011 and 2012. Staff analysis on this issue is ongoing.

Calculation of Debt Limit (under policy motion, not legal debt capacity)

Debt Capacity Calculation	<u>2010</u>	<u>2011</u>	<u>2012</u>
Property Taxes	289,511,069	294,093,949	99,690,124
Debt Service	(22,847,444)	(27,461,776)	(28,041,397)
Sales Tax	75,458,000	77,018,000	80,053,000
Sales Tax Reserve Taxes			
CJ Fund Revenues	16,159,858	16,568,815	17,169,831
Interest Earnings	2,679,200	3,061,000	4,115,000
Other Revenues	<u>154,547,154</u>	<u>164,738,392</u>	<u>162,649,864</u>
Total(Excludes Intergovernmental Receipts and Interfund Receipts)	515,507,837	528,018,380	535,636,422
6% Reserve Target	30,930,470	31,681,103	32,138,185
Debt Cap	25,775,392	26,400,919	26,781,821
Projected Debt	22,900,000	27,200,000	28,000,000
Under/(Over) Debt Cap	2,875,392	(799,081)	(1,218,179)
<i>Note: \$3.4 million of Green River Flood debt is included beginning in 2011. This debt burden may be offset by Federal reimbursement.</i>			

Proposed Ordinance 2009-0560 would authorize the issuance and public sale of one or more series of LTGO bonds up to a principal amount of \$29,000,000. This amount

provides for both the \$27.225 million requested as well as issuance costs that the BANs are anticipating. According to Executive staff “the additional amount included in the requested BAN/bond authorization is intended to allow for the final issuance of bonds for 2009 flood expenditures under the program. Since the program contemplates issuing at least 2 series of BANs before the final bonds are issued, the additional amount is intended to allow for not only issuance costs on the initial BAN but also for issuance costs on the subsequent series of BANs and the final bonds, the capitalized interest on the 2 series of BANs, as well as to allow for the possibility that the final bonds may be issued at a discount.”

Proposed **Motions 2009-0561** would accept the bid for the purchase of the BANs and **2009-0562** would approve a bond purchase contract for the BANs. Both are drafts of a typical motion that would accept the winning bid or approve a purchase contract for the sale of the bonds. In the case of an actual sale or sales, a revised motion would be prepared for each sale and presented at full Council on the day of the sale. These motions are typically reported out of committee without recommendation.

As noted above this staff report provides a preliminary overview of the Executive proposed package of legislation intended to address planning and mitigation resources needed in the event of flooding in the Green River Valley. Analysis continues and will be brought before the Committee next week.

INVITEES

Pam Bissonette, Deputy County Executive – Executive Office
Paul Tanaka, Special Projects Manager – Executive Office
Lynn Gering, King County Assessor
Beth Goldberg, Deputy Director, OMB
Kathy Brown, Director, FMD
Sid Bender, Budget Supervisor – OMB
Joe Rochelle, Senior Deputy Prosecuting Attorney - PAO
Darren Carnell, Senior Deputy Prosecuting Attorney - PAO
Dan Gottlieb, Bond Counsel, Gottlieb Fisher
Rob Shelley, Financial Advisor, Seattle Northwest Securities

ATTACHMENTS

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CLERK
KING COUNTY COUNCIL

2009-559

The Honorable Dow Constantine
Chair, King County Council
Room 1200
COURTHOUSE

September 17, 2009

Dear Councilmember Constantine:

Today I transmit to the King County Council legislation in response to the very serious and unprecedented situation we are facing in the Green River Valley due to recently discovered damage at the federally owned and operated Howard Hanson Dam. This action follows my proclamation of emergency on September 10, 2009. We are informed by the Army Corps of Engineers (USACE) that damage to the dam's impoundment structure could lead to widespread flooding in the Green River Valley as early as November of this year. I have made preparing for the Green River flood a top priority of my time as King County Executive.

This challenge presented by this potential flooding is unlike anything else experienced by King County. With a 1 in 3 chance of flooding this fall and winter, we are faced with two difficult choices. We can do nothing and hope the flooding does not occur. This is by far the simplest and least expensive choice. Or we can prepare for the flood and incur huge expenses while knowing the flood may never happen.

I believe the County Council and the Executive are united in the belief that despite the cost, we must act to protect the public safety of the region. We will seek federal reimbursement for our flood preparations and expenses. However we cannot wait to know whether the federal government will step in. Therefore this legislation seeks supplemental appropriation authority equivalent to a \$27.2 million obligation to the General Fund and \$5.2 million for the Wastewater Treatment Division. These appropriations are necessary to support the planning and initial mitigation costs for 2009 as we prepare King County facilities and operations for the potential flooding situation. A separate supplemental appropriation request is being submitted to cover levee preparation work by the Flood Control District. In addition, a number of agencies are absorbing flood planning and mitigation costs within their existing appropriations.

Overview of the Problem

The Howard Hanson Dam, which is located near the headwaters of the Green River in southeast King County, is the primary facility that controls flooding throughout the Green River basin. The dam was completed in 1962 and is located approximately 62 miles upstream from Puget Sound. It is owned, operated and maintained by the USACE, with a primary

purpose of flood control and secondary purpose of municipal water supply for the city of Tacoma and additional regional customers that they serve including some in King County.

Prior to completion of the dam, the Green River Valley was predominately agrarian in nature and was subject to regular flooding. Since 1962, the dam, along with a system of levees, has successfully prevented flooding of the Green River Valley and has allowed its economic transformation to become the regional hub for manufacturing and distribution centers in the entire Pacific Northwest. In addition, the valley is now home to important retail establishments and large residential areas, with over 20,000 residents.

The valley is also home to a number of critical public facilities. King County's presence in the Green River Valley includes the following county-owned facilities:

- Maleng Regional Justice Center
- Aukeen District Court (also home to Kent Municipal Court)
- King County Animal Shelter
- Black River Building (housing the Department of Development and Environmental Services, the Assessor's Office and Public Health)
- Earlington Building (housing Elections)

In addition, a number of essential King County functions operate out of leased space in the valley, including public health facilities; office space supporting criminal justice functions; the radio shop; and the data center. King County also operates the South Wastewater Treatment Plant and critical pump stations in the area. Finally, King County also maintains roads and levees in the valley.

Unfortunately, all that thrives in the modern Green River Valley is now in jeopardy of serious flooding incidents beginning this fall as a result of a now compromised Howard Hanson Dam. The situation with the Howard Hanson Dam has created unique circumstances where a problem with a federal dam has become a local and regional problem. King County must proactively plan for the potentially disastrous results of widespread flooding this fall and winter in the Green River Valley. If we do not prepare for the flood, the results could be even more catastrophic.

With these fundamental responsibilities in mind, I transmit to the council this extraordinary supplemental appropriation request. Before describing the details of the supplemental appropriation request, I would like to provide some additional details about the dam itself, as it is important to understand this as background when considering the unprecedented preparations we are about to undertake.

Background on the Howard Hanson Dam Changed Circumstance

The Howard Hanson Dam is a concrete structure with abutments comprised of natural earthen material that existed prior to construction of the dam. During last winter's flood season, record water levels were stored behind the dam – six feet higher than ever previously recorded. After

the flood season, two depressions were discovered by the USACE in the right abutment. Seepage flow through the right abutment accelerated and turbid water was observed from one of the drains in the right abutment drainage tunnel. These discoveries indicated that a water seepage flow path had developed through the right abutment. Left unchecked, this seepage could ultimately lead to dam failure.

Although the USACE has not indicated there is a concern of immediate, catastrophic failure of the concrete dam structure itself, the compromised condition of the right abutment has led the USACE to warn local jurisdictions that they cannot operate the dam to its full capacity without risking significant damage to the right abutment. Thus, USACE has informed King County that without a successful interim repair of the right abutment, there is a one in three chance this winter that a storm will occur that will result in a release of more water than the target maximum flow of 12,000 cubic feet per second (cfs) at the Auburn gage. The higher river flows would be due to higher discharges from the dam to prevent the dam from filling to its full capacity. If these higher release levels occur, there will be significant downstream flooding, as the existing downstream levee system was not designed to withstand the water flows that are expected to be released from the dam following periods of heavy rain.

The target flood control flow for Howard Hanson Dam is a congressionally authorized flow of 12,000 cfs at river mile 31 near the city of Auburn. The dam controls flows for approximately 45% of the drainage basin; the remaining area feeds into the Green River below the dam. Therefore, dam operations must also consider the magnitude and timing of local inflows from upstream tributaries such as Soos and Newaukum Creeks.

Since 1962, dam operations in combination with King County's lower Green River levees have contained most major river flood events from Auburn downstream to the mouth of the Duwamish River. Prior to construction of the dam in 1962, the river exceeded the target 12,000 cfs 15 times since 1932. It is estimated that without the dam, the flows on the Green River would have exceeded this flood threshold 17 to 22 times since 1962.

Temporary and Permanent Dam Repairs

The USACE has yet to restore full flood storage operating capacity of the dam and will restrict the reservoir pool elevation until engineers' concerns have been fully addressed. Testing this summer indicated substantial seepage once the pool reached elevation 1,167 feet. As a result, the USACE tells us that they may limit the storage capacity to approximately one-third of normal levels. USACE preparations for the upcoming flood season include constructing a seepage barrier wall (grout curtain) and improving the drainage of the right abutment to direct seepage into the drainage tunnel. This work is on schedule to be completed by November 1, 2009. The USACE has informed King County that they will not likely test the reliability of the new grout curtain during a major winter storm, instead waiting until the spring 2010. Therefore, reduced water storage limits behind the dam will likely remain in effect for the duration of this coming winter. Depending on the outcomes of the tests on the new grout curtain, restrictions on water levels behind the dam may remain for three-to-five years until the USACE has implemented a permanent fix to address the seepage problems in the right abutment, which at the time is being considered to be construction of a right abutment cutoff wall.

Levee Impacts and Response

Most of the existing levees along the Green River were built many years ago and are not constructed to today's engineering standards. Additionally, they were designed assuming a fully functioning Howard Hanson Dam and are not capable of withstanding increased flows. Damages or even levee failures could occur if release of water from the dam is as significant as expected as a result of its compromised structure.

We should all be proud that even prior to the discovery of the Howard Hansen Dam vulnerability, King County recognized the need to upgrade aging levees and established the King County Flood Control District (FCD) in 2007 to finance levee replacements and repairs. Through the assessment of a county-wide property tax, which raises approximately \$35 million per year, the FCD has an adopted ten-year plan for making repairs and upgrades to the countywide levee system. FCD is in is in the second year of this ten-year plan.

In preparation for the new water flow levels from the dam, work is underway to accelerate projects on the levees along the Green River. The FCD completed 9,300 linear feet of levee repairs at five high priority sites along the lower Green River in 2008. In partnership with the USACE, the FCD is now completing repairs of 2,200 linear feet at the Horseshoe Bend levee in Kent and fixing low spots and the failing flap-gate in the Reddington/Brannon Park area near Auburn. The FCD is also completing emergency repairs at three other sites in Tukwila and Kent to protect critical public infrastructure and commercial and industrial land uses. In addition, the FCD is actively pursuing the fundamental prerequisite for rehabilitation of lower Green River levees and reduced risk of system failure, which is to acquire sufficient right of way to reconstruct levees during 2010. This includes over 18,000 linear feet of levees at 14 sites - approximately the same length as all the facilities damaged in the January flood throughout the entire county. However, there are approximately 40 miles of levees in the Green River system and they cannot all be reconstructed in time for the coming flood season.

King County has commissioned several engineering studies to determine the ability of the existing levees to withstand the expected increased volume, duration and frequency of high flows, and to determine whether there are additional improvements King County can make to provide additional protection for the valley. King County and the cities adjoining the lower Green River are analyzing the feasibility of several alternatives to temporarily raise the lower Green River levees to contain the higher flows of 13,900 and 17,600 cfs from overtopping levees adjacent to the cities of Auburn, Kent and Tukwila as a result of changed flood control operations at Howard Hanson Dam. The techniques and temporary structures under consideration for flood fighting include TRANSCO "super sacks" and HESCO container units. It is estimated that to contain 13,900 cfs in selected locations approximately nine miles of temporary structures from an elevation of one- to three-feet in height would be required; to contain 17,600 cfs would require approximately 11 miles of temporary facilities from an elevation of one- to eight-feet in height. Due to the age, construction materials and over-steeped slopes of the levees throughout the lower Green River Valley, King County's engineering consultant is currently evaluating the potential adverse levee stability impacts that may occur from these different techniques as a result of the additional weight on the top of the levees, the increased water pressure due to higher river levels, and increased seepage forces

through or beneath the levees. The completion of levee stability analysis and a final recommendation of temporarily raising the levees are imminent.

The Flood Warning Center (FWC) produced maps of the levee system where concerns exist regarding the structural stability of the levees due to age and over-steepened slopes for the cities, county and USACE staff to use in upcoming flood patrols and to estimate the height and length of temporary facilities to potentially contain a portion of the flood waters.

Flooding Consequences: Risk Scenarios

Because of the pool elevation restriction and the resultant reduced storage capacity behind the dam, there is an increased risk to the downstream communities for high flood levels. Should a major storm event occur with the temporary restrictions on pool elevation, it is likely that levees in the lower valley could be overtopped and even fail, as they were not designed to withstand increased water flows that will result from the reduced storage capacity of the dam.

A study commissioned by King County in 2006 determined that the loss of use of the flood plains in King County would result in lost economic activity of \$46 million per day, largely centered in the Green River Valley. A more recent study by the Federal Emergency Management Agency (FEMA), still in draft, estimates a range in flood damages from \$1.3 - \$3.8 billion for the flood scenarios provided by the USACE for the valley.

The county and cities have been working with the USACE on a request for the federal government to fund measures that we could take in advance of a potential flood event over the next three to five years. In addition to completing the grout curtain at the dam, the USACE has committed to having significant flood fighting capabilities on hand in case of flooding or a breach of a levee, increasing patrols along the levees, debris management at bridges, and enhanced communications. Advanced measures requested (and supported by the local USACE office), include requests for pumps and equipment and temporary flood containment materials.

A request to reprioritize projects within the FCD six-year CIP to allow for the flood preparations on the levees – included in a separate FCD transmittal – would be used to augment or replace USACE funding should the advanced measures requested not be approved. The approximately \$8.4 million assumes the purchase and installation of temporary facilities on levees, or possibly as secondary containment areas behind levees, a 20% contingency, and emergency pumps and flood protection for the Black River Pump station that will be instrumental in helping drain the cities of Renton and Kent if needed. Final costs will depend on negotiations with the USACE and our work with the valley cities. Again, these costs are requested in a separate but companion piece of legislation for the FCD. Should our request for federal funds be successful, some of these FCD funds could be restored to the projects for which they were originally programmed

The USACE, using elevation and floodplain data from King County, provided flood inundation maps to the local agencies for emergency response planning based on four release and storm scenarios: 13,900 cfs, 17,600 cfs, 19,500 cfs, and 25,000 cfs at Auburn. The river modeling estimated these flows based on 25, 50, and 100-year events and a restricted pool elevation. At

this juncture it is unlikely that the levees can provide protection at the 17,600 cfs planning scenario, and not at all for the more extreme scenario of 25,000 cfs.

Therefore evacuation will be a critical element of the response.. The decision to recommend that citizens, businesses and our own agencies evacuate the flood prone areas along the Green River will depend on several interrelated factors. We will work closely with the USACE reservoir control center regarding the status of planned releases. The USACE will be making decisions regarding the release of water from the reservoir depending on the performance of the grout curtain, amount of water observed in the drainage tunnels, height of reservoir pool, the duration of the existing storm, and the weather forecast by the National Weather Service (NWS). We are informed that a significant flood warning with some confidence can be made 36-72 hours in advance by the NWS for weather, and 8 hours in advance by the USACE for a dam release anticipated to cause flooding.

Any releases that exceed approximately 10,000 cfs will trigger a recommendation for residents to leave the rural areas along the middle Green River. A release of water from the dam reaches the area in about four hours. Flows from the dam take approximately eight hours to reach the city of Auburn. Flows exceeding 13,000 cfs at the Auburn gage will likely trigger a recommendation for at least some residents to evacuate in the lower Green, depending on the nature of the storm and information from the NWS.

King County, in conjunction with the valley cities and State Emergency Management, is developing plans for mass sheltering, evacuation routes (life line routes), and public communications in the event that evacuation is recommended.

Planning Process and Risk Decisions

King County's efforts to plan for potential flooding in the Green River Valley as a result of the compromised dam began after notification of the problem with the right abutment of the dam following the January 2009 storm. The valley cities (Auburn, Kent, Tukwila and Renton) convened a local planning process this past winter and invited King County to participate. We have supported their process to date which has provided a good forum for coordination.

Given King County's broader regional responsibilities, I convened the Green River Executive Group (GREG) – an interagency work group that includes representatives from all county agencies, including those headed by separately elected officials, to comprehensively plan the county's operational response to these circumstances. GREG has been meeting weekly since May, reviewing King County's Emergency Management Plan as it relates to significant flooding, and developing Green River flooding specific customizations given the unique situation.

Most emergency response plans are reactive to an event once it has occurred. Having significant notice of a specific hazard, potentially larger than any the county has experienced, with time to mitigate beforehand is a different situation than we have faced. The decision-making process is made more difficult due to the ambiguity inherent in assessing the likelihood of risks as opposed to responding to an emergency in progress. The economic value within the

valley is high and the existing county facilities are critical, which raises the stakes for making prudent decisions about acceptable risk, and with little time in which to make them.

The USACE and NWS have provided various general levels of risk for differing potential weather, flow and flood scenarios. The risk assessment of the protection afforded by the grout curtain is unknown until tested. As a result, King County has to make wise decisions to protect citizens, businesses and critical infrastructure in the face of significant ambiguity before November 1st, the start of the flood season.

Collaborating with the USACE, the NWS, and the valley cities, has resulted in regional agreement to plan overall for the 17,600 cfs scenario. However, we also recognize that for each facility, risk would need to be judged based on its criticality and whether flood mitigation would be feasible or cost effective.

Based on our analysis we have planned based on the following assumptions:

1. The 17,600 cfs scenario is generally used for flood planning and flood mitigation;
2. There will be widespread power outages, interruptions or lack of water supply, sewage backups and overflows, interruptions or lack of normal communications, and interruptions in emergency life safety services;
3. No sheltering in place is planned with the exception of Wastewater¹;
4. Triggers to evacuate or relocate are:
 - a. need less than 24-48 hours – stay until evacuation notice given
 - b. need more than 48 hours – plan relocation for continuity of operations now;
5. For critical infrastructure where we cannot afford a break in service, we have planned to the 25,000 cfs scenario (e.g. Elections, Wastewater Treatment); and
6. Protect buildings from flood damage if cost effective to do so.

We undertake this planning and preparation knowing there is a distinct likelihood of severe flooding. But circumstances may unfold such that the valley is spared from flooding. Ultimately, from a risk assessment perspective the imminent nature of the devastation that would result if these risks materialize leaves King County with little choice but to plan for widespread flooding in the Green River Valley and incur significant costs in doing so.

Emergency preparedness and response activities are generally divided into four phases:

1. Planning
2. Mitigation
3. Emergency Response
4. Recovery and Restoration

¹ While not a primary plan, the supplemental request that I transmit today includes a small allocation of contingency funds for back-up sheltering in place costs in the event that the Department of Adult & Juvenile Detention is not able to fully evaluate the Maleng Regional Justice Center in advance of the flood waters.

The supplemental appropriation request that I submit to you today addresses **only** the first two phases – planning and mitigation – of our response to the Howard Hanson Dam situation. The rationale for this approach is twofold. First, we do not specifically know when during the November through March timeframe we will have a flooding incident – or the number of flooding incidents. Second, when flooding actually occurs, federal disaster relief will take effect, allowing federal funds to flow to the region.

In addition, the supplemental appropriation request that I submit to you today only addresses 2009 costs associated with this situation. Planning and mitigation costs for 2010 will be submitted to the council later this fall in a separate supplemental appropriation request. And, if the grout curtain being installed by the USACE is not successful in restoring the dam's structure to accommodate its full operational capacity, it is conceivable that the county could be facing additional costs as a result of the threat of flooding each flood season for the next three-to-five years – the amount of time the USACE anticipates it would take to develop and construct a permanent fix for the dam. If the grout curtain proves successful in allowing the dam to operate at full capacity, King County agencies will return to their former locations in the spring of 2010 and operations will return to normal.

Facility and Operational Assessment

At my direction, the Facilities Management Division (FMD) engaged an engineering consultant, Parametrix, to conduct an evaluation of county-owned (General Fund) buildings in the Green River Valley, and provide advice on whether to, and how to, protect our facility assets from potential flooding scenarios. Before describing the specific costs associated with our planning and mitigation supplemental request, it is important to understand the operational needs and impacts of King County's individual facilities – both owned and leased – in the region.

King County-Owned Facilities: General Government

The Maleng Regional Justice Center (MRJC): The MRJC is located in downtown Kent. It houses up to 1384 inmates and is home to nineteen Superior Court and District Court courtrooms, and related staff in the courts, the Department of Judicial Administration, the Prosecuting Attorney's Office, and the Office of the Public Defender. At 17,600 cfs, the USACE predicts **two to three feet of water** at ground floor elevations in the detention portions of the facility and **five to six feet of water** in the courthouse portions of the facility.

The MRJC is a unique regional facility, with specialized operational needs that are not easily replicated elsewhere and would be extremely costly to replace in the event of severe water damage. Therefore, a significant amount of planning has been devoted to options for protecting the facility from flood waters. Based on the recommendations of our engineering consultants, we are requesting funds to construct a protective perimeter wall around the MRJC to protect the valuable building. This wall will primarily consist of concrete blocks with water proof sealant strips around most of the facility. Vehicle and pedestrian corridors will be left until flooding is imminent. At that time, these openings will be closed with Aqua Barriers, which are inflatable

devices that can be filled with water (or some similar, quickly assembled structure). The cost of the protective measures is \$1.1 million.

Our current planning assumptions call for a multi-phased re-location of operations that are currently located in the facility.

- **Department of Adult and Juvenile Detention (DAJD):** DAJD currently houses about 800 inmates at the MRJC (out of a total capacity of 1384 inmates). Because the complexity and amount of time required to evacuate inmates, DAJD will relocate approximately 200 inmates to the King County Correctional Facility in downtown Seattle effective November 1, 2009, leaving approximately 600 inmates on site at the MRJC to be evacuated in the event of a more imminent flood warning. The current planning assumption is to evacuate at the time that a four day storm warning is issued. FMD, DAJD, and Superior Court are in the process of evaluating whether this duration of time is feasible for the relocation of inmates and Courts. DAJD will attempt to concentrate inmates with on-going court matters in the KCCF. To support this effort, Superior Court will modify its operations to concentrate all criminal matters in the King County Courthouse and, to the extent necessary, relocate other non-criminal proceedings (e.g. civil cases) to locations outside of the courthouse. This coordination between DAJD and Superior Court will help minimize transportation costs and maximize efficiency during these unusual operating circumstances.

The inmates remaining at the MRJC after November 1st will primarily be Department of Corrections violators, city/county misdemeanants, minimum security inmates and sentenced inmates. Inmates meeting these classification criteria will be easier to place in other non-King County detention facilities in the event of a full evacuation of the MRJC in the event of imminent flooding. DAJD is making arrangements with other detention facilities in the region – including Pierce, Kitsap and Snohomish counties, and the Federal Detention Facility to relocate the inmates that will remain at the MRJC after November 1st in the event of imminent flooding. DAJD is also exploring the possibility of early release of misdemeanants and/or those that are within a few days of release in the event of a flood. Planning is underway to determine the amount of time required to evacuate the inmates that will remain at the MRJC. DAJD is conducting regular drills to ensure that they are fully prepared for these evacuations. In the event that it appears, based on coordinated planning efforts or based on evacuation drills, that DAJD will need to move out sooner than the four day notice, contingency funding is set aside in this supplemental request to allow for alternate plans. Plans are also being developed for contingency shelter-in place arrangements in the event that full evacuation of the facility cannot be completed before flooding occurs.

- **Superior Court/Department of Judicial Administration:** Superior Court's 95 staff and the Department of Judicial Administration's (DJA) 57 staff will stay at the MRJC until inmates are moved in response a warning of an imminent flood. As mentioned above, the current planning assumption is that Superior Court and DJA would evacuate with four days notice. The viability of that short notice will depend largely on FMD's ability to locate and secure leased space for these functions, and the landlord's

willingness (or unwillingness) to hold space pending short notification for evacuation. If tenant improvements are relatively costly, and if rent must be paid regardless of whether the relocation space is occupied, it might make sense to move these functions well in advance of a four day evacuation notice. For this reason, the supplemental appropriation request assumes a full six month rental for half of the space currently occupied by Superior Court/DJA in the MRJC. If this amount proves inadequate, based upon what is available on the market that could be used as court space, contingency funds could be used.

There are 19 courtrooms at the MRJC. The King County Courthouse is viewed as the primary target location for displaced Superior Courtrooms at the MRJC. Based on a recent assessment there is capacity to accommodate a temporary relocation of six MRJC courtrooms to repurposed courtrooms in the King County Courthouse. Several real estate options are under active consideration for the remaining 11 courtrooms and the administrative staff to ensure that court operations are not interrupted.

However, please note again that it may well be necessary to move both inmates and courtrooms sooner than the four-day warning, given the difficulty in obtaining court and jail space. FMD is working closely with DAJD and the courts to find viable court space in a geographic location that will minimize the cost and complexity of inmate transport. FMD and Superior Court are working out the details of these moves, including location, timing, and cost, between now and November 1st.

- **District Court:** There is an equivalent of two District Court courtrooms at the MRJC. A single District Court courtroom will need to be relocated to space in the King County Courthouse, or to other district courts. Approximately 40-50 staff will be involved. In addition, District Court needs assistance with moving and storing about 300 boxes of old files, protecting furnishing and equipment at the MRJC, and parking for employees that move to downtown Seattle. In cooperation with the District Court and real estate brokers, FMD has identified potential locations to temporarily house the second District Court courtroom currently at the MRJC, along with courtrooms from the Aukeen District Court facility.
- **King County Sheriff's Office (KCSO):** FMD and the KCSO are evaluating options for a temporary location for the Criminal Investigation Division (CID) functions that currently occupy the MRJC. At the same time, FMD is also exploring leased space options for a permanent re-location of CID out of the MRJC consistent with county policy objectives. There are approximately 130 staff members in the CID (80 at MRJC) including about 30 civilians. If necessary, about 90 staff could be temporarily reassigned to different precincts but additional, temporary space would be needed for the remaining 40 staff members.
- **Jail Health Services (JHS):** FMD, in conjunction with JHS, is planning temporary staff relocations to follow inmate relocation efforts. JHS files and equipment at the MRJC will be moved or protected to avoid damage from flood waters.

- **Office of Public Defense (OPD):** Public Defense has two offices in the basement of the MRJC. They will be temporarily relocated to OPD's existing space in the Walthew Building in downtown Seattle in the event of an evacuation.
- **Law Library:** In the event of flooding, Law Library materials will be relocated. The two Law Library staff members will be relocated to downtown Seattle, if necessary.
- **Prosecuting Attorney's Office (PAO):** In a flood event, the PAO will move a total of 117 staff to available space in the King County Courthouse and/or leased space in downtown Seattle. FMD and the PAO are developing a proposal to maximize the space available at the courthouse to minimize the need for leased space.
- **Deferred Jail Expansion Planning:** As you know, important efforts are underway to work with our partner cities in exploring options for expanding regional jail capacity at both the King County Correctional Facility and the MRJC. King County staff from FMD and DAJD have been working tirelessly this year to match accelerated timelines driven by the cities' facility siting processes. But the situation with the dam is a game changing event that alters all of our planning for criminal justice and public health operations. Faced with the potential flooding impacts on the MRJC and the shift in operations to the KCCF and the Courthouse, King County must refocus our resources on preparations and alternatives for our existing facilities. Because this uncertainty in the Green River Valley may be with us for the next 3 to 5 years, and because the additional financial burdens that this situation places on the county's already strained budget, we simply do not have the capacity to respond to the flood and adequately plan and implement new jail construction projects, such as expanding at the MRJC or expansion of the King County Correctional Facility in the short term. Many of the same staff resources that are diligently working on our flood planning and mitigation efforts are the same staff that are tasked with jail expansion planning. The public would also legitimately question why King County would simultaneously plan to expand the MRJC while also spending millions of dollars preparing to evacuate it. Fortunately we agreed to a jail contract extension earlier this year with the cities through 2015 that relieves some of the pressure to create new jail capacity. In addition we will know much more about the dam situation in the spring and summer of 2010 when the grout curtain will be tested and the Corps will reveal plans and timelines for the long term fix. Therefore, I have directed my staff in both DAJD and FMD to temporarily pause King County's investment in these expansion planning efforts for 2009 and until we have more clarity in 2010. I will be communicating this information to our partner cities. The cities may choose to continue their own efforts since these are not county-led projects. Although I am deferring the accelerated jail planning work currently underway, not all work will cease. Some planning efforts will continue to the degree necessary for King County to be poised to make important decisions about jail expansion in future years.

Earlington Building - Elections Facility: The Earlington Building, located in Renton, is home to King County Elections. While most county planning efforts are being guided by the 17,600 cfs models, planning for the Elections facility is being guided by the 25,000 cfs models. At 17,600 cfs, the Earlington Building is not expected to flood. However, under the 25,000 cfs

scenario, the building is expected to be inundated with six to ten feet of water. The Earlington Building is effectively located in a 'bowl' bound by higher ground to the east, north (Grady Way) and south (I-405), resulting in extremely high levels of flood water should flows reach 25,000 cfs.

Elections is legally mandated to count ballots and certify election results within three weeks of Election Day. The 2009 General Election is scheduled for November 3, 2009 -- at the onset of flood season -- presenting some unique challenges for King County Elections should flooding occur during this period. Because of the time constraints on Elections to count ballots in the weeks following Election Day, it would be impossible to move the operation should we be faced with an imminent threat of flooding during ballot processing. The facility houses specialized equipment and wiring infrastructure required to receive, count, and tabulate all-mail ballots. This equipment must be certified by the Secretary of State before it can be used to count ballots, making efforts to relocate Elections even more complex and time-sensitive. Therefore, extraordinary steps are being taken now to relocate Elections out of the Earlington Building into the King County Airport Operations Center (AOC) so that we can be certain that Elections will be fully operational in time for the November 3, 2009 General Election. This move is expected to be complete by early October to allow time for the equipment to be re-certified by the Secretary of State in time for the November 3, 2009 General Election. Elections will remain at the AOC building until the spring of 2010, at which time long-term plans will be re-assessed based on the conditions of the dam.

As I have discussed with all councilmembers, completing the Elections move by early October can only be done if activities take place -- and resultant costs are incurred starting immediately. I realize that this does not provide councilmembers with the standard review process for this type and magnitude of expenditure. But I authorized FMD to take the necessary actions to move Elections at the request of the Elections Director in order to meet this critical operational deadline. Examples of activities that must take place within the next three weeks include: repairs to the heating, ventilation, and air conditioning (HVAC) system and installation of security systems, cabling/wiring, and information technology infrastructure.

In terms of protective measures for the Earlington Building, we have made the assessment that from a cost-benefit perspective it does not make financial sense to take extraordinary steps to protect the building from the damaging effects of flooding. Construction of a protective perimeter wall to protect the building from up to ten feet of water -- at \$4 - \$5 million -- is not cost effective. Even if we were to successfully protect the building from the flood waters, it will likely be impossible to access the facility during a flood event. We have evaluated our insurance coverage and have determined it would be more cost effective to provide minimal flood protection at the site and to rely heavily on our insurance coverage in the event of damage from flooding.

Black River Building: The Black River Building is occupied by Department of Development & Environmental Services (DDES), Public Health (Environmental Health), and the Assessor. DDES also pays for Hearing Examiner leased space in an adjacent building. The Black River Building is not far from the Earlington Building in Renton.

At the 17,600 cfs planning levels, the first floor of the Black River Building will likely remain dry. Consequently, it does not appear necessary to relocate the tenant agencies at this time. However, if water flows reach 25,000 cfs, the building could be under as much as seven feet of water. Therefore, I am seeking \$50,000 in order to install modest flood protection measures such as backflow prevention valves for sanitary sewer and storm drains. FMD will also examine the possibility of providing for an auxiliary generator, and relocation of utilities and building systems, if necessary. DDES and Health are considering moving all staff except the public counter to existing space in higher floors. If flooding does occur, the Black River agencies believe they can pursue a combination of strategies involving relocation to other existing County space, telecommuting or relocating into temporary leased space.

Animal Shelter: Using 17,600 cfs as the flood preparation planning assumption, the King County Animal Shelter is expected to be under two-to-three feet of water and post flood facility restoration is not likely to be cost justified. The Animal Shelter and FMD are planning to vacate the site by November 1. Concurrently, as part of the 2010 budget, I have directed King County Animal Care and Control to engage in discussions about partnering with its contract cities and community organizations to transition to an alternative, fiscally sustainable business model as by June, 2010. The risks posed by the Green River Flood to the current shelter facility are accelerating the pace of the transition because the facility will need to be evacuated and an alternative facility established to ensure that animals are not at risk.

The Animal Shelter will attempt to place all existing animals. FMD will locate temporary space to which strays and lost animals from any flooding may be taken and sheltered temporarily. The space might also be used to carry out county responsibilities to detain dangerous animals or animals rescued from abusive situations. The modular buildings currently at the shelter, as well as cat cages, dog runs, and any other removable furniture or infrastructure will be relocated to the temporary shelter. Washington State University personnel are working with King County to determine the feasibility of sheltering small animals at the Enumclaw and Puyallup fairgrounds during a flood event. These two locations are already the designated shelter for large livestock. In addition, once temporary human shelters are identified by the Red Cross, Animal Shelter staff and FMD staff will locate facilities near those shelters for pets owned by those in the Red Cross shelters.

Aukeen District Court: The Aukeen District Court is located in Kent and is also used by Kent Municipal Court. Under an interlocal agreement approved by both the King County Council and the Kent City Council, the city of Kent is in the process of expanding the Aukeen Court Building at their expense for their expanded needs at the site. Long-standing King County policy (the District Court Facilities Master Plan and other space planning policies) had directed FMD to move King County District Court operations out of the Aukeen facility. In anticipation of this planned move, the interlocal agreement gives the city of Kent the right to purchase the building from King County as soon as King County can vacate the site.

At 17,600 cfs, Aukeen District Court will have up to one foot of flooding. A perimeter wall – at a cost of \$260,000 – will be installed to protect the facility from flood waters. In addition, FMD is seeking alternate space for the relocation of District Court staff. If possible, FMD will secure leased space to house the District Court functions relocated from the Aukeen site, as

well as the equivalent of one courtroom from the MRJC. It is possible that a long-term relocation of the District Court can be achieved, freeing up the building for the city of Kent to acquire.

FMD is working with the city of Kent on a joint plan to provide perimeter protection not only to the Aukeen court building, but also the rest of the city of Kent criminal justice complex, which is collocated at the Aukeen site.

Leased Space

In addition to the county-owned facilities in the Green River Valley, a number of critical county functions operate out of leased space. This supplemental appropriation request provides for relocation of many of these operations depending on their vulnerability to the potential flooding.

King County Data Center (Sabey Complex): In recognition of the strategic importance of the King County data center, FMD is relying on 25,000 cfs assumptions for Sabey Center flood planning purposes. The Sabey Complex is several feet above flood levels and is expected to remain dry, even under the 25,000 CFS model. Power, fiber optic cable, sewer and transportation access to the building all appear sufficient for this possible flood event. Given this risk analysis, there is no plan to relocate data center operations.

Prosecuting Attorney's Office (at Meeker/Gowe Building): There is the possibility of flooding at this leased site at the 17,600 cfs level. Although FMD has encouraged the landlord to take protective measures, it is expected that when flooding is imminent that PAO staff will be temporarily relocated to a combination of King County Courthouse and leased space.

Superior Court Probation (Kent and Renton Offices): Superior Court has approximately 25 probation staff located in Renton and Kent that might be moved to downtown Seattle along with other Superior Court staff. FMD is also looking for short term, co-located lease opportunities for Renton and Kent staff, including co-locating Kent staff at probation office in Renton.

Radio Shop: The King County Radio Shop is located in leased space in Tukwila at high risk of flood damage in the 17,600 cfs flood scenario. The Radio Shop is an essential operation that supports the public safety operations of King County and most suburban cities, police, fire and utility districts. To ensure vital support to emergency operations during a flood event it is essential for this operation to be relocated before the flood season. FMD has identified potential sites in which EMS/Medic One offices and vehicle bays in the flood zone could be co-located with the Radio Shop. The shared facility opportunity also has the potential to introduce efficiencies to emergency service delivery to King County.

Public Health Facilities: Public Health delivers services at leased sites in or near the 17,600 cfs inundation area. Though the Auburn Health Clinic will not be flooded in this scenario the proposed supplemental provides budget authority to purchases an emergency generator to counter power outage risk and a back-flow valve to limit water damage. The Alder Square

health facility is in the area at risk for flood inundation and will only remain operational through December 31, 2009, as this site is slated for closure as part of my 2010 Executive Proposed Budget. For the balance of 2009, FMD has identified promising lease alternatives outside the flood inundation area while remaining close to the service area. These relocation options will be evaluated in the context of the longer-term plan to close the Alder Square facility. The Emerald City Warehouse containing emergency supplies is also positioned to move to the potential new location for the Radio Shop and EMS/Administration.

Wastewater Treatment Division (WTD) – South Treatment Plant:

Wastewater Treatment Division (WTD) operates the South Treatment Plant in Renton. This King County facility is located on the border of the 17,600 cfs modeled flood zone, and in the 25,000 cfs modeled flood zone is expected to experience significant high water surrounding the facility.

The South Treatment Plant receives all wastewater flows generated in south King County. The facility also receives all wastewater flows from eastern and northern King County and parts of south Snohomish County. The treatment plant has a capacity of up to 340 million gallons per day (mgd). Average wet weather flows at this facility are approximately 110 mgd. Moderate to severe rainstorms in the wet weather months push the wet weather flows higher due to infiltration and inflow of water into the wastewater system. The county's wastewater sewer gravity pipelines are generally deeper than the sewer districts' and cities' sewer lines which they serve. Because all local sewer systems in the valley discharge to the county's sewer system, the WTD will need to be prepared for large flow volumes during a flood incident.

Operation of the South Treatment Plant is essential to the region for public health purposes, and also because it will serve as an additional drainage point for flood water entering its system. The ability to process and discharge by pumping to Puget Sound up to 340 mgd requires a significant amount of electrical power. As it is a necessary public infrastructure, WTD is preparing to staff and operate the South Treatment Plant at a time when the surrounding area is flooded and available power sources may be compromised as a result of the flood. Plans are in place to rent emergency back-up power equipment and power generators. Additionally, given that high flood waters surrounding the treatment plant would make it difficult for plant operations crews to access the facility, a plan has been developed to acquire emergency health and safety equipment and supplies necessary to support treatment plant operations crews in working 16-18 hour shifts for periods of 5-7 days at a time without leaving the plant.

WTD is taking the necessary actions to prepare for the critical infrastructure protection of the treatment plant systems and equipment, the wastewater conveyance pipeline systems, and the health and safety of operations and maintenance response personnel in the event of Green River flooding. These necessary protection actions specifically include the following measures;

- Construction and installation of flood protection barriers at identified flood vulnerability areas along the east perimeter of the South Treatment Plant, the Interurban Pumping

Station, several wastewater siphon crossings along the Green River and other miscellaneous wastewater conveyance structures.

- Acquisition or rental of wastewater emergency response equipment to allow for portable deployment of equipment to alleviate blocked and/or surcharging wastewater pipelines
- Acquisition or rental of emergency back-up power equipment and power generators to establish an emergency power system to maintain the plant's ability to pump peak flows (addition of about 16 Mw) which has been determined to be mission critical in the event that the PSE electrical and gas service to the South Treatment Plant fails and/or suffers significant disruption in service.
- Acquisition of emergency health and safety equipment and supplies necessary for supplying treatment plant shift operations crews with food and shelter supplies required for working 16 to 18 hour shifts at the treatment plant for periods approaching 5 to 7 days in duration.
- Acquisition of rental equipment, construction of temporary on-site storage and additional support services for the management of Biosolids (i.e. processed wastewater sludge) on-site for 5 to 7 days.

Funding Needs

Executing such plans as described above is without precedent and will require considerable financial resources. –I do not take these costs lightly at a time when King County is not well positioned from a financial perspective to incur these costs. However, as the regional government for King County, it would be irresponsible for us to not be prepared for the very real possibility of flooding.

As I mentioned earlier in this letter, the Federal government typically does not provide financial support to regions in advance of a natural disaster. We feel strongly that this potential natural disaster is different. **Were it not for the faulty federally owned and operated Howard Hanson Dam, we would not be undertaking these efforts and incurring these costs.** These costs come at a time when all funds in King County are facing significant financial challenges. Therefore, in addition to preparing King County operations to deal with the threat of flooding, one of my top priorities is to work with our Congressional delegation to seek reimbursement for the costs we are assuming as a result of problems with the Dam.

The normal emergency process is one of responding to an emergency in progress. Federal, state and local emergency plans and rules anticipate that an emergency will be evident or imminent. This unique situation of having months of warning does not fit the usual framework for proclamations and declarations of emergency which must precede reimbursement by federal and/or state agencies which tend to reimburse for flood response and recovery, and not planning and mitigation. However, due to the fact that the emergency is caused, at least in part, by a vulnerable federal facility, we believe that federal reimbursement should be granted for planning for, and mitigating damages resulting from, the Dam vulnerability.

I have met twice with congressional staff making a request for a commitment to reimburse King County for protecting the valley community and critical infrastructure that will mitigate damage to the residents, businesses and our own facilities in the event of a significant flood. I have personally communicated this request to our Congressional members and the Governor. While so far my request has met with openness, understanding and support, to date there has been no formal commitment to reimburse these costs. I will persevere in my efforts to obtain reimbursement.

But as the rainy season approaches, we cannot wait. To execute the operational plans described earlier in this letter, I am seeking \$27.2 million of capital fund budget authority financed with General Fund debt capacity and \$5.2 million for the Wastewater Treatment Division (WTD). An itemization of all of the General Fund and WTD costs is attached to this letter. Because of the unique nature of these expenditures, I am taking the unusual step of seeking appropriation authority for all of these costs in capital projects. This will give us the flexibility we need to access and monitor costs for all appropriation units. In this instance it is particularly important to centralize costs in one capital project for the General Fund. This will facilitate consistent accounting of costs in a format acceptable to the Federal Emergency Management Agency (FEMA) as we continue our efforts to seek reimbursement for the costs we are incurring as a result of the damaged, federally owned and operated Howard Hanson Dam.

In addition, I am making use of contingency projects as there are still many unknowns – given the real-time nature of these planning efforts – as it relates to costs. In a budgeting structure similar to what we did with funding for the data center, I am creating a separate contingency project to improve the ability to evaluate and track expenditures. To avoid circumstances of expenditure prior to appropriation authority as flood season draws closer and as we conclude the fiscal year, these contingencies are critical to our ability to execute our plans and to avoid having to seek multiple supplemental appropriation requests for 2009 at a time when council's focus will appropriately be on adopting the 2010 annual budget. Recognizing the need for controls and oversight of expenditures out of the requested contingency projects – as well as the need to monitor all flood-related expenditures – I intend to submit to the council monthly reports that document all reported expenditures as documented in the county's accounting systems related to flood planning and preparation, as well as use of contingency funds.

General Fund Obligations - \$27,225,374:

Obligations to the General Fund are allocated as follows:

Facilities Management Division (FMD) - \$10,511,993: As described earlier in this letter, the county's employees and services located at owned and leased facilities in the Green River Valley are at significant risk in the event of a Green River flood. Much of the responsibility for protecting the county-owned facilities and re-locating tenants falls to FMD. In addition to the significant move costs and lease costs the supplemental appropriation request I am transmitting to you also includes additional term-limited staffing and additional equipment in support of FMD's flood preparation activities related to the workload categories described below. Agency specific re-location needs that are specialized in nature are not covered in the costs below. Rather, these specialized needs are described later in this letter on an agency-by-agency basis.

The relocation costs associated with the Elections facility and the Animal Control Shelter are described in separate sections of this letter.

Flood Planning	1,103,157
Building Protection	2,153,005
Lease Costs	866,134
Early Relocation Move Costs (Including Telecom costs)	3,434,621
Relocation Capital/Tenant Improvements	915,750
Heavy Equipment, pumps, generators, etc	1,039,326
MRJC Shelter-in-place reserve	1,000,000
Subtotal FMD	10,511,993

- Flood Planning:** FMD has hired 2.5 TLTs to manage flood planning and prepare requests for FEMA reimbursement for flood related costs for King County facilities. These TLTs have been essential in convening work groups for tenant agencies occupying county-owned facilities and leased space in the Green River flood inundation area. This added resource has allowed FMD staff and managers to continue their existing body of work. In addition, FMD hired a consultant, Parametrix, to evaluate potential flood damage to county-owned facilities including the MRJC, Blackriver Building, the Earlington Building, and the Kent Animal Shelter. Parametrix provided flood mitigation plans and cost estimates to protect county-owned facilities. FMD's Green River flood preparation team continues to work with King County agencies as they develop relocation plans prior to and in response to a flood. The team is also working with FEMA and King County's accounting system experts to establish reporting mechanisms to maximize federal reimbursement.
- Building Protection/Flood Damage Mitigation:** As described above, FMD will implement protective measures to mitigate potential flood damage. The basis for these plans is informed by the recommendations of our consultants, Parametrix. Protective measures include installing sandbag equivalents such as aqua dams and ecology blocks around the perimeter of county-owned facilities. In addition, FMD will install sewer backflow protectors and purchase emergency generators and pumps.
- Lease/Acquisition:** FMD's Real Estate Services (RES) section is conducting real estate negotiations necessary for relocation of Animal Control, Elections and portions of the MRJC in order to facilitate tenant relocations prior to the start of flood season on November 1st. RES is also identifying office and courtroom space to house MRJC staff that cannot be relocated to vacant space in the courthouse. Real Estate Services will prepare lease and/or acquisition legislation for Council approval.
- Moving Tenants:** FMD is developing a schedule to physically relocate operations, including office equipment, furniture and files of the tenants that have been identified for moves prior to November 1st. These tenants include Animal Control, Elections, the Radio Shop, Aukeen District Court and portions of the MJRC. In addition, FMD will be moving furniture and files from the ground level of the MRJC and the Earlington

building to protect from flooding. To the extent possible, moves will be performed by FMD staff; some moves will require contract movers.

- **Tenant Improvements:** FMD will install tenant improvements (TI's) in county-owned and privately leased spaces to support relocated functions. This includes TI's at the AOC to accommodate Elections, TI's in the courthouse to accommodate Superior Court, DJA and Prosecutor staff that will need to relocate to the King County Courthouse. These TI's may be accomplished with county employees or by contractors.

Office of Information and Resource Management (OIRM) - \$4,467,911: OIRM will supplement FMD's efforts to relocate staff and technology services before and just prior to a flood event. Costs associated with this relocation effort include server moves, telecom infrastructure installation, enhancing the capacity of the alternate data center, ensuring uninterrupted e-mail service, and installing network devices. This budget estimate is based on preliminary office relocation assumptions. As FMD enters into lease negotiations, OIRM staff will develop more precise cost estimates specific to the status of the technology infrastructure at the potential facility. Depending on the selected relocation facilities, OIRM costs could be lower or greater than the proposed amount. If the required amount is greater than proposed, OIRM, FMD and OMB will work together to propose use of the contingency project budget.

The proposed supplemental budget amount includes \$2.5 million of information technology equipment to ensure necessary infrastructure at the relocation site. Computer replacement costs are not included in this proposal because it won't be known until the flood response phase whether computers are damaged. The budget amount does include funding to relocate 44 servers from at risk facilities to the Sabey Data Center. This proposed move will provide for uninterrupted server capacity while supporting county policy to co-locate servers in a central location when feasible. OIRM will also participate in the relocation of the Radio Shop to leased space outside of the flood zone.

Elections - \$3,219,744: The Elections Department is relocating its entire operation to the Airport Office Center (AOC) in Tukwila. While the AOC building will serve as a good temporary facility, it is only available to Elections for about eight (8) months, according to an existing development agreement. FMD and the Department of Transportation (DOT) will work with the PAO to explore the option of extending the availability of the AOC into future flood seasons if necessary. If that option is not viable, a new longer term temporary facility (not included in this request) will still need to be identified and tenant improvements completed prior to the end of April, 2010 if it looks like the grout curtain will not be a successful long-term fix to the damaged dam. For the immediate move needs, Elections has identified the following elements not already included elsewhere: installation of security cages for the storage of ballots and equipment; resources for communicating with voters; temporary on-site security through the November Election; relocation of specialized industrial equipment used for ballot sorting and tracking; network and telecom equipment, cabling and installation; furniture deconstruction and preparation for moving; and overtime anticipated for packing while concurrently preparing for the November General Election and serving customers.

Animal Control - \$951,800: This funding will provide resources to improve the ability to respond to the expected increase in stray pets during the flood event and to transition the county from its current level of responsibilities delivered at the Animal Care and Control shelter in Kent. Plans are being developed to ensure an orderly evacuation of the shelter prior to the flood. At the same time other locations are being evaluated to serve as a staging area for animals separated from their owners during the flood. A tenant improvement budget is proposed to outfit a temporary location to deliver animal shelter needs after November. Since it will not be possible to immediately replicate the capacity of the current shelter, other community shelters, including public, private and non-profit providers, are being sought to meet temporary capacity needs. The supplemental budget request includes: increasing the volunteer and rescue coordinators from part-time to full-time to help with the likelihood of much higher volumes and a more complex network of sheltering activity; increasing public information available at the web site used by Animal Control, reimbursement for sheltering services if sufficient capacity in-house is not available. The \$500,000 tenant improvement budget will cover the cost of temporary fencing, storage and plumbing and electrical infrastructure. In addition, this appropriation will cover moving costs unique to the animal control line of business and lease costs for a location that could serve as a private non-profit service delivery substitute for County service delivery.

Department of Adult & Juvenile Detention - \$1,873,849: DAJD will maximize the housing available at the King County Correctional Facility in Seattle this fall to limit to the extent possible the inmate population at the MRJC during the high flood season. By implementing new housing management controls, DAJD will be able to increase flexibility and stand ready to address the potential flood. DAJD anticipates that as part of these new housing management controls, it will shift inmates between its Seattle facility and the MRJC so that those remaining at the MRJC will primarily be Department of Corrections violators, city/county misdemeanants, minimum security and sentenced inmates. These are the groups that will be easiest to move to other non-King County facilities in the event of evacuation.

In the event of a flood and evacuation of the jail is ordered, DAJD will also undertake the following: 1.) DAJD will move juveniles who are being tried as adults and housed at MRJC to segregated units in the juvenile detention facility; 2.) DAJD will use the West Wing at KCCF to house inmates on a temporary basis provided it can re-negotiate restrictions on the number of inmates in a unit imposed by the Hammer agreement; and, 3.) DAJD will attempt to concentrate inmates with ongoing court matters at the King County Courthouse in KCCF to minimize transportation costs and to increase the likelihood that those matters can proceed efficiently.

The appropriation request for DAJD covers two months of operating costs associated with reducing the population housed at the MRJC and preparing for a potential flood event. DAJD is requesting \$987,740 for Juvenile Detention Officer overtime to prepare and staff two to three units for juveniles currently housed in MRJC who will be transferred to Juvenile Detention, adult correctional officer overtime for evacuation and other facilities preparation readiness overtime, and for pre-flood work crew hours filling sandbags and preparing King County facilities for a flood.

DAJD is requesting \$430,172 to initiate a bus purchase and park buses and vans for inmate transport. Included in this request is funding for dry and refrigerated off-site and warehouse storage so that Pierce County can clear out an 84-bed unit to be available for King County inmates in case of a flood event. Additionally, DAJD is requesting \$222,919 for radio communication, an auto dialer phone alert system to streamline communication with employees, and supplies, including restraints for evacuating and transporting inmates and mattresses and linens.

Lastly, DAJD is requesting \$233,018 for 3 days of inmate bed space at various other detention facilities and to provide overtime for officers who will travel on buses with inmates to non-county facilities. This 3 day appropriation is enough to provide evacuation of the MRJC and initial housing only for 400 inmates. Once an emergency evacuation is approved the cost per day to house inmates in other facilities is estimated at approximately \$55,000 a day for 400 inmates. Emergency space contracts with other detention agencies are currently under negotiation and will be transmitted to the King County Council as soon as they are completed. It should also be noted that if an evacuation of the MRJC is ordered, a substantial portion of the DOC revenue anticipated for 2010 will be lost because DOC will be placing a portion of their inmates in other facilities pending re-occupation of the MRJC.

Communications - \$530,100: The Executive Office is leading a communications group that includes all pertinent King County department communications staff in the Executive branch, the County Council, and offices of separately elected leaders. The group's aim is to inform every person, including those who do not speak English, and every business in the flood risk area about preparedness and response to a potential Green River flood event. This appropriation will allow the communications group to use a full array of mediums including news stories, mailings, online information, social media (Twitter/Facebook) and advertising. Printed and online information will include messages in six languages with the Spanish and European speaking population as the main target but also including the languages recommended and used by Public Health in this geographic area.

Scanning/Digitizing Files for Move Preparation - \$344,501: To provide continuity of service to the public, paper documents and court records will be digitized to provide access during a flood event. The Department of Judicial Administration, Superior Court, Jail Health, Public Health and the Prosecuting Attorney's Office all have files that need to be scanned and/or archived to prepare to evacuate the MRJC and other facilities in the flood area on short notice without losing access to important records.

RALS - Records \$217,700: With multiple King County agencies moving from the Green River Valley this fall, the Records Center anticipates a significant increase in the number of records being transferred to the Records Center for storage. To accommodate new incoming records, additional shelving will need to be purchased and installed. This request includes the purchase and installation of shelving, rental equipment to facilitate the install, labor for installing and securing the shelving to the walls and/or floor, and 45 days of extra help staff and a rental truck to help with records pickup and accessioning into the Records Center. In addition, this request includes moving the Community Service Center out of the MRJC.

Emergency Management – \$150,000, 3.0 TLT: The Office of Emergency Management (OEM) is requesting \$75,000 for GIS maps that are being used King County agencies and affected cities in ongoing countywide planning efforts. OEM is also seeking \$25,000 to hire a TLT to serve as the field coordinator in charge of volunteers in the event of a flood. Fargo, North Dakota credits the existence of this position as a key source of their success in responding to the severe flooding of the Red River this past winter.

OEM is also requesting \$50,000 for two TLTs to implement an Operational Response Plan related to Emergency Support Function 6 (ESF 6) in King County's emergency management plan. The purpose of ESF 6 is to define King County's roles and responsibilities in mass care services including sheltering, emergency feeding, first aid and disaster welfare information. Given the magnitude of these responsibilities associated with the Green River flood, the State has dedicated two planners at no cost to the county for 90 days. These planners bring the expertise needed to develop the specific operational plans around sheltering, mass care and feeding. The state planners will complete an Operational Response Plan for ESF 6 that is agreed to by all county agencies as well as regional sheltering/feeding partners. The state planners began work on this deliverable on September 10, 2009. Once the plan is complete, the two OEM TLTs will implement the plan.

The county is actively working to determine with municipalities, county agencies and support agencies, in particular the Red Cross, the best approach to meeting the identified sheltering needs. The Howard Hanson Dam Shelter Planning Group, comprised of city and county representatives, chaired by Sarah Miller from the city of Auburn, is developing a sheltering plan for the region. To assist this effort, OEM and the Executive are working to identify sheltering needs/shortfalls and to develop a sheltering safety net. King County will need one-to-two mega-shelters that will be managed by the Red Cross to shelter an estimated 4,000 individuals who could be displaced by the flood. The Executive is currently working with the Red Cross to identify possible shelter sites but has not yet identified a specific site to host mega-shelters. The Red Cross can provide the cots, blankets, meals, comfort kits and other supplies needed for sheltering. Because sheltering is considered a response activity – as opposed to preparedness – sheltering costs are likely to be eligible for FEMA reimbursement and are not included in this supplemental appropriation request.

King County Sheriff's Office (KCSO) - \$118,317: Funding provided to KCSO will allow for basic water rescue training for 30 first responders water rescues that may be necessary in the event of widespread flooding. In addition, KCSO plans to purchase aircraft and hoist accessories to improve rescue operations, and purchase emergency supplies including rain gear and two motorized river rafts to use in water rescue. These items are needed prior to a Green River flood event in order to allow the KCSO to prepare for emergency evacuation and rescue efforts. The Sheriff will also use the funds to upgrade communication equipment in command vehicles, which includes installing equipment that allows voice, data, and video over internet protocol (VOIP) to create mobile communication links over wide a geographic area. These upgrades will allow for back-up communication systems for hard-line phone, cellular phones, 800 MHz, VHF and UHF radio systems. Funding to temporarily relocate KCSO staff in the MRJC and to relocate approximately 30 seized vehicles from the Plemmons lot is included in the FMD portion of this supplemental ordinance.

Human Resources Division – \$102,535: The Office of Emergency Management (OEM) is required by state law to register Temporary Emergent Workers (TEWs) for emergency response. This appropriation will allow Human Resources Department and OEM to train five teams of 2-3 staff to register volunteers. When activated, the teams will go out into the field and register volunteers, collect volunteer information and distribute volunteer identification badges. These teams will work under the auspices of the TLT field coordinator that is included in the OEM appropriation.

District Court – \$27,720: District Court will be temporarily relocating out of the Aukeen courthouse for the duration of the flood season is requesting appropriation to pay mileage costs as required by the clerks' collective bargaining agreement. The moving costs associated with relocation are included in the FMD portion of this supplemental ordinance.

DES - \$22,500: This appropriation will allow DES to hire a TLT Business Finance Officer for the remainder of 2009 to track Green River flood expenditures. This is a critical function as it relates to our attempts to seek FEMA reimbursement for the costs that we are incurring in preparation for the flooding. This position will likely be extended through 2010.

Contingency Project Budget - \$4,537,562 (20%): A contingency budget is established to address the risk that unanticipated costs may increase the project cost. Due to the unprecedented set of risk factors associated with this flood and the lack of available time to get risk resolution prior to ordinance transmittal, a 20% contingency is proposed for the Green River Flood Project. In particular, contingent budget is essential when the relocation building has not been identified at time of supplemental ordinance transmittal. In this instance it is not possible to accurately estimate the following cost categories: tenant improvements such as cubicles/workstations, technology infrastructure, lease and move costs. The \$4.5 million contingency is budgeted as a separate project to facilitate effective monitoring of usage.

Wastewater Treatment Division (WTD) - \$5,151,496

WTD is seeking an increase in appropriation authority to allow WTD to take the necessary actions to prepare for the critical infrastructure protection of the South Treatment Plant systems and equipment, the wastewater conveyance pipeline systems, and the health and safety of operations and maintenance response personnel in the event of Green River flooding and associated power outages.

These protective actions specifically include the following measures:

- WTD seeks \$599,917 for construction and installation of flood protection barriers at identified flood vulnerability areas along the east perimeter of the South Treatment Plant, the Interurban Pumping Station, several wastewater siphon crossings along the Green River and other miscellaneous wastewater conveyance structures.
- WTD will use \$63,481 for the acquisition or rental of wastewater emergency response equipment to allow for portable deployment of equipment to alleviate blocked and/or surcharging wastewater pipelines.

- WTD will acquire or rent emergency back-up power equipment and power generators to establish an emergency power system which has been determined to be mission critical to continued plant operations in the event that the PSE electrical and gas service to the South Treatment Plant fails and/or suffers significant disruption in service. These actions are expected to cost of \$4,336,700.
- Wastewater will also procure emergency health and safety equipment and supplies necessary for supplying treatment plant shift operations crews with food and shelter supplies required for working 16 to 18 hour shifts at the treatment plant for periods approaching 5 to 7 days in duration to meet sheltering-in place needs and keep plant operations going in the event of a flood. These supplies will cost \$31,250.
- Last, WTD will use \$120,148 to acquire rental equipment, construction of temporary on-site storage and additional support services for the management of Biosolids (i.e. processed wastewater sludge) on-site for 5 to 7 days.

WTD will draw down existing fund balance in order to cover these increased appropriations.

Department of Transportation

The Road Services and Transit Divisions are not seeking additional appropriation authority to cover flood planning and mitigation costs as they are relatively minor until the response and recovery phase of a flood emergency. This is not to say that they will not incur costs for these activities, however. Instead, these two divisions will absorb the flood preparation costs within their existing budget authority.

Transit Division: The Transit Division has facilities located in the identified flood zone. These facilities include two park and ride lots in Kent and Tukwila and 33 bus shelters. Transit anticipates that these facilities will unusable at the 17,600 cfs level and bus service at these locations would need to be relocated. According to current flood modeling, the Transit South Base facility remains outside the flood inundation area. However, some of the functions would likely need to be relocated if the base were to lose power for an extended period of time. Transit will absorb the costs required for flood planning and protection of these facilities.

Road Services Division: The Road Services Division does not have buildings in the projected flood impact area. However, roads and bridges may be impacted by the flood. Of particular concern are the Green Valley Road, Green River Road, West Valley Road, South 272nd, and the Auburn-Black Diamond road corridors. Using existing budget authority Roads will purchase traffic barricades and fabricate and install evacuation route signage. They will also procure cots, food and water to accommodate emergency staffing efforts.

In a flood event with power outages gas stations may not be able to satisfy fuel demand. Road Services is exploring options to ensure the availability of fuel for their vehicles used in a flood emergency.

Financing Strategy

King County's General Fund (GF) continues to face a structural deficit, which has been amplified by the worst recession in 70 years. Substantial cuts to GF programs were required in 2009 and will be required in 2010 to balance the budget. Given constrained resources and the magnitude of funds required to adequately prepare for flooding, the GF cannot withstand this burden without additional resources. The flood planning and mitigation costs identified in this supplemental appropriation request exceed even the \$15.7 million in the Rainy Day Reserve Fund.

As discussed above, the county may experience several flooding events over the next three to five years. While costs are uncertain, the threat is largely contained to this time-period, making it a temporary challenge faced by the GF and not an ongoing one. The longer-term and ongoing solution will be addressed by the USACE.

In order to generate a sufficient *dedicated one-time source of money for flood preparation*, I am recommending the sale of Bond Anticipation Notes (BANs) in the amount of approximately \$27.2 million. This amount will support costs associated with flood planning and mitigation for the General Fund in 2009 only. Three ordinances necessary to facilitate this transaction are included in this transmittal package. We anticipate issuance of the BANs in November or December of this year. In the interim, we will rely on an interfund loan of county funds. Once the BANs are issued, any loaned funds will be repaid and the loan closed. We have consulted closely with both our bond counsel and our financial advisor in developing this plan.

The situation faced by the county in the Green River Valley has several characteristics that make use of BANs advantageous to fund costs associated with flood planning and mitigation:

- 1) Final and exact costs are unknown and needs may change. Some agencies can wait until the first flood warning to move out, while other agencies must move much earlier. Additionally, a portion of the money requested relates to contingency and may not be expended. As discussed above, we need to have the ability to respond quickly to events as they unfold, but there is a possibility that not all of the money requested will be expended.
- 2) The duration of the problem may range between one and five years. The USACE indicates that the grout curtain may allow the dam to retain enough water to prevent flooding. The success of this temporary fix will not be known until late this year when the river's flow warrants raising the dam's water level. The extent to which this strategy is successful, if at all, will determine what steps need to be taken in 2010 and beyond. It is likely that we will see additional costs for 2010 – and perhaps beyond depending on the success of the grout curtain. Additional costs could be folded into the issuance of future BANs.
- 3) This is not an ongoing obligation. If we are successful in obtaining federal reimbursement for the planning and mitigation costs that we are incurring, we can use these funds to immediately retire the debt. If we are not successful in obtaining federal reimbursement for all or a portion of our costs, we can convert the BANs to fixed rate bonds at such time that all of the final costs are known.

4) The General Fund has only the Rainy Day Reserve and the six percent ending undesignated fund balance as emergency reserves. Maintaining these reserves is essential to ensure the county has immediate access to liquidity should an *unforeseen* event occur that would require use of those funds. This might include a larger outbreak of H1N1, an earthquake, or *responding* to a flood event. While federal money is generally available to help cover costs for emergency response, it usually is not made available instantly. In fact, reimbursement can take several years. In the case of a Green River flood, we have known costs related to planning and mitigation that the county will incur. We have the time and ability to seek supplemental resources that allow us to be prepared for such an emergency without impacting our ability to respond to an emergency situation. Other potential situations may not allow us that time and flexibility.

The temporary nature of BANs allows sufficient flexibility to the county in that we may roll-over or expand the BANs in 2010 if additional preparation and mitigation costs are incurred or anticipated. Alternatively, if contingency monies are not needed and the grout curtain is successful as a temporary fix, the county may opt to pay down a portion of the BANs in 2010. Once final flood mitigation and planning costs are known, the county would transition to a long-term repayment structure through a bond issue.

Approximately \$21.0 million of the total 2009 requested GF supplemental amount is for operating costs. Due to federal tax law, these types of costs cannot be supported with tax-exempt debt. Therefore, this portion of the BANs will be taxable debt, which incurs a slightly higher interest rate than non-taxable debt. \$6.2 million in 2009 capital costs will be supported by non-taxable BANs. Based on interest rates of 1.5 percent for taxable BANs and 1.0 percent for non-taxable BANs, the county will face \$375,000 in additional interest costs on an annual basis. Issuance costs of approximately \$100,000 will be included in the total BAN amount issued. The county is not obligated to pay principal on BANs until such time as they are converted to bonds, retired, or at the end of the term. If the BANs were converted in 2010 to ten-year bonds, payments would be approximately \$3.4 million annually.

As discussed earlier, there is a potential for multiple flood events during a flood season and a permanent fix to the Howard Hanson Dam may not be complete for five years. This creates a great amount of uncertainty about the magnitude of flood preparation costs that King County will face. In 2010, the county will need to reevaluate the situation and determine whether to extend, expand or retire the BANs. Once final flood planning and mitigation costs are known, longer-term taxable and non-taxable bonds will be issued to retire the BANs if federal reimbursement is not received for these costs.

After a long-term financing solution is established, in 2010 or later, the GF would be responsible for debt payments. This is an added burden to the General Fund. The magnitude and structure of this debt will depend heavily upon:

- 1) The success of the grout curtain during 2009/2010 flood season.
- 2) The potential for federal reimbursement.
- 3) Unanticipated mitigation costs that may arise.
- 4) The financial situation of the GF when longer-term debt is issued. There may be a desire

to pay off the debt more quickly or slowly depending on the state of the General Fund.

The resources discussed here address only funding for 2009 flood planning and mitigation.

Any additional planning and mitigation costs that may be incurred in 2010 or beyond will need to be supported by an expansion of the BANs in 2010. If a flood event occurs, the county will be eligible to receive aid from FEMA to support response and recovery efforts, but generally preparation work is not eligible for federal reimbursement.

As we move forward with our BAN financing plan, we face a number of thresholds that will inform the need for additional BANs, our ability to retire the debt, and/or the need to convert the BANs to long-term bonds. These thresholds are as follows:

- 1) This fall my staff will identify the costs to continue our 2009 planning and mitigation efforts into 2010 to cover the latter half of the 2009-2010 flood season. We will seek appropriation authority for these costs in a separate supplemental request later this fall. We will have an opportunity to fold these costs into the BANs.
- 2) At the conclusion of the 2009-2010 flood season, we expect to learn from the USACE whether the grout curtain is successful in mitigating the damage to the dam. If successful, the need to mitigate for potential floods for subsequent flood seasons will be unnecessary. At this time, we will continue efforts to obtain reimbursement from the federal government for the costs we incurred for the 2009-2010 flood season. If we are successful in receiving this reimbursement, we will use those funds to pay off the BANs. If we are not successful, we will convert the BANs to bonds and begin paying debt service.

If the grout curtain is not successful in mitigating the damage to the dam, we will face the threat of floods until such time as the USACE is able to complete a permanent structure fix to the dam. If this is the case, we will know that we face flood mitigation costs for 3 – 5 years. If this is the case, we would again propose supplemental appropriation authority to cover flood mitigation costs for the fall of 2010 and begin incorporating the on-going costs in the annual budget beginning in 2011. These costs, again, would be incorporated into our BAN financing plans. Under this scenario, the BANs would remain outstanding until such time as we obtain federal reimbursement and/or the dam is permanently repaired. In the event that we are not successful in obtaining reimbursement, we would convert the BANs to bonds and begin making debt service payments.

Conclusion

Defects in the federally-operated Howard Hanson Dam present King County with some unique operational and financial challenges as we attempt to proactively address the potentially catastrophic impacts of flooding that could result from the increased water flows into the Green River. The supplemental appropriation request provided to you today addresses only the 2009 costs associated with planning and mitigation for potential flooding for King County government. A separate request is being made for the FCD. Costs for 2010 will be addressed

in a separate supplemental appropriation request that I will transmit to the council later this fall. Should flooding occur, King County will incur additional costs for response and recovery activities that will presumably be covered under a federal emergency declaration. In addition, if the grout curtain that the USACE is installing to mitigate defects in the dam is not successful, King County will be looking at similar flood preparation costs each fall for the next three-to-five years – the amount of time it would take the USACE to install a permanent fix for the dam. Whatever the duration, King County and other local jurisdictions are currently bearing the brunt of the costs associated with this federal problem. It is incumbent upon all of us – as we continue to proactively prepare for the potential flooding – to continue our efforts to seek reimbursement from the federal government for the costs associated with this situation.

If you have any questions about our planning efforts of costs related to this supplemental, please contact Pam Bissonnette, Assistant County Executive, at 206-263-9660, or Beth Goldberg, Deputy Director, Office of Management and Budget, at 206-263-9727.

I certify funds are available.

Sincerely,


Kurt Triplett
King County Executive

Enclosures

cc: King County Councilmembers
 ATTN: Tom Bristow, Interim Chief of Staff
 Saroja Reddy, Policy Staff Director
 Anne Noris, Clerk of the Council
 Frank Abe, Communications Director
Pam Bissonnette, Assistant County Executive
Noel Treat, Chief of Staff, County Executive Office
Beth Goldberg, Deputy Director, Office of Management and Budget
Theresa Jennings, Director, Department of Natural Resources and Parks (DNRP)
Mark Isaacson, Director, Water and Land Resources Division, DNRP
Kathy Van Olst, Director, Department of Adult and Juvenile Detention
Kathy Brown, Director, Facilities Management Division, Department of Executive Services

FISCAL NOTE

Ordinance/Motion No. 2009-XXXX

Title: Supplemental Appropriation - Green River Flood Preparation

Affected Agency and/or Agencies: Facilities Management Division

Note Prepared By: Bobbie Faucette

Note Reviewed By: Sid Bender

Impact of the above legislation on the fiscal affairs of King County is estimated to be:

Revenue:

Fund/Agency/Projects	Fund Code/Appro	Revenue Source	2009	2010	2011	2012
Bond Anticipation Notes		BAN	27,225,374			
GRAND TOTAL						

Expenditures:

Fund/Agency	Fund Code/Appro	Department Code	2009	2010	2011	2012
395009 - DJA Exhibit Space (Evidence)						
395929 - Green River Flood Preparation			149,142			
395930 - Green River Flood Preparation Contingency			22,538,670			
Debt Service Payments			4,537,562			
TOTAL			27,225,374		3,400,000	3,400,000

Expenditures by Category

	2009	2010	2011	2012
Debt Payments			3,400,000	3,400,000
Operating				
Capital	20,939,756			
TOTAL	6,285,618			
Assumptions:			0	0

It is anticipated that Bond Anticipation Notes will be issued November/December 2009 as a temporary funding source. A subsequent 10 year LTGO Bond is currently envisioned to be issued in 2011 that will be used to retire the Bond Anticipation Notes, with level debt service payments beginning in 2011.

The county's employees and services located at owned and leased facilities in the Green River Valley are at significant risk in the event of a Green River flood. Much of the responsibility for protecting the county-owned facilities and re-locating tenants falls to Facilities Management Division. As a result, three capital projects will be created in the Building Repair and Replacement Fund. This will give the county the flexibility to access and monitor costs for all appropriation units. In this instance it is particularly important to centralize costs in one capital project for the General Fund. This will facilitate consistent accounting of costs in a format acceptable to the Federal Emergency Management Agency (FEMA) as the county continues its efforts to seek reimbursement for the costs it will be incurring as a result of the damaged, federally-operated Howard Hanson Dam.

FISCAL NOTE

Ordinance/Motion No. 2009-XXXX
 Title: Green River Flood Planning
 Affected Agency and/or Agencies: Wastewater Treatment Division
 Note Prepared By: Darcia Thurman
 Note Reviewed By: Tim Aratani

Impact of the above legislation on the fiscal affairs of King County is estimated to be:

Revenue:

Fund/Agency	Fund Code	Revenue Source	2009	2010	2011	2012
Water Quality/Wastewater Treatment Division	461	Fund Balance	5,151,496			
TOTAL			5,151,496	0	0	0

Expenditures:

Fund/Agency	Fund Code	Department Code	2009	2010	2011	2012
Water Quality/Wastewater Treatment Division	461	4000	5,151,496			
TOTAL			5,151,496	0	0	0

Expenditures by Category

	2009	2010	2011	2012
Salaries & Benefits	95,000			
Supplies and Services	3,986,197			
Capital Outlay	40,000			
Other	1,030,299			
TOTAL	5,151,496	0	0	0

Assumptions:

The proposed budget authority will be revenue backed using fund balance unless Federal reimbursement for flood preparation costs are received.

Non-CX Financial Plan

Fund Name: Water Quality Fund

Fund Number: 461 & 4616

Prepared by: Greg Holman & Darcia Thurman

	2008 Unaudited	2009 Adopted	2009 Revised	2009 Estimated	Estimated - Adopted Change
CUSTOMER EQUIVALENTS (RCEs)	706.85	706.52	706.52	703.31	-3.20
MONTHLY RATE	\$27.95	\$31.90	\$31.90	\$31.90	0.00
BEGINNING OPERATING FUND	32,307	29,800	29,587	29,587	(213)
OPERATING REVENUE:					
Customer Charges	237,001	270,454	270,454	269,228	(1,226)
Investment Income	4,511	14,086	14,086	2,230	(11,856)
Capacity Charge	34,992	34,794	34,794	37,070	2,276
Rate Stabilization	3,000	(6,700)	(6,700)	(15,400)	(8,700)
Other Income	8,202	9,089	9,089	10,379	1,290
TOTAL OPERATING REVENUES	287,706	321,723	321,723	303,507	(18,217)
OPERATING EXPENSE	(98,370)	(102,917)	(103,667)	(103,667)	(750)
DEBT SERVICE REQUIREMENT PARITY DEBT	(134,757)	(156,368)	(156,368)	(144,967)	11,401
SUBORDINATED DEBT SERVICE	(19,263)	(21,534)	(21,534)	(18,055)	3,479
DEBT SERVICE COVERAGE RATIO PARITY DEBT	1.41	1.39	1.39	1.35	(0)
DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS	1.23	1.15	1.15	1.15	(0)
KC POOL LOAN REPAYMENT	0		(21,332)	(21,332)	(21,332)
LIQUIDITY RESERVE CONTRIBUTION	(280)	(369)	(369)	(996)	(627)
TRANSFERS TO CAPITAL (1)	(35,036)	(40,663)	(18,292)	(9,831)	30,831
RATE STABILIZATION RESERVE	19,750	26,450	26,450	35,150	8,700
OPERATING LIQUIDITY RESERVE BALANCE (1)	9,837	10,292	10,367	10,833	541
OPERATING FUND ENDING BALANCE	29,587	36,742	36,817	45,983	9,241
Note:					
(1) This represents a correction to the 2009 Adopted Financial Plan.					
CONSTRUCTION FUND					
BEGINNING FUND BALANCE	26,714	5,515	8,794	8,794	3,279
REVENUES:					
Parity Bonds	350,000	504,839	526,171	550,000	45,161
Variable Debt Bonds	99,326	16,935	16,935	380	(16,555)
Grants & Loans	19,594	8,859	8,859	23,924	15,064
Other	781	500	500	500	0
Transfers From Operating Fund	35,036	40,663	18,292	9,831	(30,831)
TOTAL REVENUES	504,737	571,796	570,758	584,635	12,839
CAPITAL EXPENDITURES (Including \$5.1 Green River Flood	(473,420)	(487,253)	(487,253)	(528,697)	(41,444)
DEBT ISSUANCE COSTS	(2,611)	(9,385)	(9,385)	(9,404)	(19)
BOND RESERVE TRANSACTIONS	(43,059)	(54,423)	(54,423)	(44,076)	10,348
AMOUNTS TO ASSET MANAGEMENT RESERVE	0	0	0	0	0
ADJUSTMENTS	(3,568)	(18,445)	(18,445)	(11,404)	7,041
ENDING FUND BALANCE	8,794	7,804	10,045	0	(7,804)
CONSTRUCTION FUND RESERVES					
Bond & Loan Reserves	118,614	174,279	174,279	162,690	(11,589)
Policy Reserves	19,500	21,000	21,000	21,000	0
TOTAL FUND RESERVES	138,114	195,279	195,279	183,690	(11,589)
CONSTRUCTION FUND BALANCE	146,909	203,083	205,324	193,841	(9,242)

Green River Flood Supplemental Crosswalk: Final 9/15/09

Capital expenditures are italicized.

General Government CIP

Fund 3951 Building Repair and Replacement

	Flood Planning	1,103,157
	<i>Building Protection</i>	2,153,005
	Lease Costs	866,134
	Early Relocation Move Costs (Including Telecom costs)	3,434,621
	<i>Relocation Capital/Tenant Improvements</i>	915,750
	<i>Heavy Equipment, pumps, generators, etc</i>	1,039,326
	MRJC Shelter-in-place contingency	1,000,000
	Subtotal FMD	10,511,993
	Early Evacuation of 200 Inmates	1,640,831
	Emergency Full Evacuation of MRJC	233,018
	Subtotal DAJD	1,873,849
	Scan/Archive records - DJA, Superior Court, Jail Health, Public Health, DDES, PAO	344,501
	Subtotal Scanning	344,501
	TLT to track Green River preparation process/expenses	22,500
	Subtotal DES	22,500
	Basic Water Rescue Training	39,000
	<i>Communication Equipment upgrades</i>	30,700
	Emergency Supplies	48,617
	Subtotal Sheriff	118,317
	Mileage for Re-located District Court Employees	27,720
	Subtotal District Court	27,720
	<i>Record shelving purchase & installation</i>	217,700
	Subtotal RALS - Records	217,700
	Relocation costs	363,090
	Tenant Improvements	500,000
	Lease Costs 2009	88,710
	Subtotal Animal Control	951,800
	Elections equipment move	782,124
	Move costs	665,625
	Lease Costs 2009	492,000
	<i>AOC Tenant Improvements</i>	1,279,995
	Subtotal Elections	3,219,744
	Advertisements - Radio, bus, TV	331,750
	Brochure Mailings	198,350
	Subtotal Communication	530,100
	GIS Mapping, Volunteer Coordinator, ESG 6 support	150,000
	Subtotal Emergency Management	150,000
	Volunteer Registration Teams	102,535
	Subtotal HRD	102,535
	Overall Planning	67,500
	Radio	673,650
	Telecom (voice: wireline/wireless & voice-mail)	65,854
	Critical King County Infrastructure	614,574
	At Risk Site Relocation	2,898,333
	Emergency Communications	148,000
	Subtotal OIRM	4,467,911
395929	Subtotal General Government Flood Preparation	22,538,670
395009	<i>DJA Evidence Storage</i>	<i>149,142</i>
395930	Green River Flood Preparation Contingency (20%)	4,537,562
	Subtotal Capital	6,285,618
	Subtotal Operating	20,939,756
	Total Building Repair and Replacement Fund	27,225,374

Wastewater Treatment

Fund 4616 WTD Construction Fund

GRFP03 Green River Flood Preparation

5,151,496

Total Fund 4616 5,151,496

Total All Funds 32,376,870



KING COUNTY

Signature Report

September 17, 2009

Ordinance

Proposed No. 2009-0559.1

Sponsors Patterson and Gossett

1 AN ORDINANCE making a supplemental appropriation
 2 of \$32,376,870 to various capital funds to prepare county
 3 facilities so that high priority service delivery will not be
 4 interrupted in the event that Howard Hanson dam
 5 structural faults cause flooding in the Green River valley;
 6 and amending the 2009 Budget Ordinance, Ordinance
 7 16312, Sections 125 and 127, as amended, and
 8 Attachments B and D, as amended; and declaring an
 9 emergency.

11 SECTION 1. Ordinance 16312, Section 125, as amended, is hereby amended by
 12 adding thereto and inserting therein the following:

13 From several capital improvement project funds there is hereby appropriated and
 14 authorized to be disbursed the following amounts for the specific projects identified in
 15 Attachment A to this ordinance.

16	Fund Fund Name	Amount
17	3951 Building Repair and Replacement Subfund	\$27,225,374

Ordinance

18 SECTION 2. Attachment A to this ordinance hereby amends Attachment B to
19 Ordinance 16312, by adding and canceling additional projects to those listed in
20 Attachment B to Ordinance 16312.

21 SECTION 3. Ordinance 16312, Section 127, as amended, is hereby amended by
22 adding thereto and inserting therein the following:

23 From several capital improvement project funds there is hereby appropriated and
24 authorized to be disbursed the following amounts for the specific projects identified in
25 Attachment B to this ordinance.

<u>Fund</u>	<u>Capital Fund Name</u>	<u>Amount</u>
26 4616	Wastewater Treatment	\$5,151,496

27
28 SECTION 4. Attachment B to this ordinance hereby amend Attachment D to
29 Ordinance 16312, by adding and canceling additional projects to those listed in
30 Attachment D to Ordinance 16312.

31 SECTION 5. This county council finds as a fact and declares that an emergency
32 exists and that this ordinance is necessary for the immediate preservation of public peace,
33

Ordinance

34 health or safety or for the support of county government and its existing public
35 institutions.
36

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Dow Constantine, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Kurt Triplett, County Executive

Attachments A. General Government Capital Program, B. Wastewater Treatment Capital Program

Attachment A: General Government Capital Program

	2009	2010	2011	2012	2013	2014	Total 2009 - 2014
3951/BUILDING REPAIR & REPLACEMENT SUBFUND							
395009 DJA Exhibit Space (Evidence)	149,142						149,142
395929 Green River Flood Preparation	22,538,670						22,538,670
395930 Green River Flood Preparation Contingency	4,537,562						4,537,562
Total Fund 3951	27,225,374						27,225,374
Attachment A - General Government Total	27,225,374						
Attachment B - Wastewater Treatment	5,151,496						
Grand Total	32,376,870						

2009-559

	2009	2010	2011	2012	2013	2014	Total 2009 - 2014
Attachment B: Wastewater Treatment Capital Program							
4616/MTD Construction Fund	5,151,496						5,151,496
GRFP03 Green River Flood Preparation	5,151,496						5,151,496
Total Fund 4616							



KING COUNTY

Attachment C

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

September 17, 2009

Ordinance

Proposed No. 2009-0560.1

Sponsors Patterson and Gossett

1 AN ORDINANCE authorizing the issuance and public sale
2 of one or more series of limited tax general obligation
3 bonds of the county in an outstanding aggregate principal
4 amount not to exceed \$29,000,000 to provide long-term
5 financing for the costs of the Green River Flood Mitigation
6 Project; authorizing the issuance and public sale of one or
7 more series of limited tax general obligation bond
8 anticipation notes of the county in an outstanding aggregate
9 principal amount not to exceed \$29,000,000 to provide
10 interim financing for such costs pending the sale of such
11 bonds; providing for the disposition of the proceeds of sale
12 of the notes; establishing funds for the receipt and
13 expenditure of note proceeds and for the payment of the
14 notes; and providing for the annual levy of taxes to pay the
15 principal thereof and interest thereon.

16
17 PREAMBLE:

Ordinance

18 The county council has previously reviewed and approved expenditures
19 for the Green River Flood Mitigation Project.

20 It is deemed necessary and advisable that the county now authorize the
21 issuance of one or more series of its limited tax general obligation bonds
22 in an outstanding aggregate principal amount not to exceed \$29,000,000 to
23 provide long-term financing for the Green River Flood Mitigation Project,
24 and that the county now authorize the issuance and public sale of one or
25 more series of its limited tax general obligation bond anticipation notes in
26 an outstanding aggregate principal amount not to exceed \$29,000,000 to
27 provide interim financing for such costs pending the issuance of the bonds.

28 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

29 **SECTION 1. Definitions.** The following words and terms as used in this
30 ordinance shall have the following meanings for all purposes of this ordinance, unless
31 some other meaning is plainly intended.

32 "BABs" means "Build America Bonds" authorized under the federal American
33 Recovery and Reinvestment Act of 2009.

34 "Bond Fund" means, with respect to each series of the Bonds, the bond
35 redemption account established therefor pursuant to Section 12 hereof.

36 "Bond Sale Motion" means a motion of the council adopted at the time of sale of
37 each series of the Bonds that establishes, with respect thereto, the following, among other
38 things: the year and, if applicable, a series designation, dates, principal amounts and
39 maturity dates, the interest rates and interest payment dates, and the redemption
40 provisions therefor.

Ordinance

41 "Bonds" means the limited tax general obligation bonds of the county in an
42 outstanding aggregate principal amount not to exceed \$29,000,000, authorized to be
43 issued in one or more series by this ordinance to provide long-term financing for the
44 Green River Flood Mitigation Project. Each series of Bonds may be issued as either Tax-
45 Exempt Obligations or Taxable Obligations, as provided in Section 4.E of this ordinance.

46 "Code" means the federal Internal Revenue Code of 1986, as amended, together
47 with corresponding and applicable final, temporary or proposed regulations and revenue
48 rulings issued or amended with respect thereto by the United States Treasury Department
49 or the Internal Revenue Service.

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

51 "Federal Tax Certification" means, with respect to each series of Notes or Bonds,
52 the certificate executed by the Finance Director pertaining to the county's expectations in
53 connection with the federal tax treatment of interest on such series of Notes or Bonds.

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

57 "Government Obligations" means "government obligations," as defined in
58 chapter 39.53 RCW, as now in existence or hereafter amended.

59 "Green River Flood Mitigation Project" means the costs of flood planning and
60 mitigation measures intended to prevent damage to facilities owned, and disruption of
61 services provided, by the County at locations in the Green River valley that might result
62 from possible flooding due to structural damage to the Howard Hanson Dam.

Ordinance

63 "Note Fund" means, with respect to each series of the Notes, the note redemption
64 account established therefor pursuant to Section 12 hereof.

65 "Note Sale Motion" means a motion of the council adopted at the time of sale of
66 each series of the Notes that establishes, with respect thereto, the following, among other
67 things: the year and, if applicable, a series designation, dates, principal amounts and
68 maturity dates, the interest rates and interest payment dates, and the redemption
69 provisions therefor.

70 "Notes" means the limited tax general obligation bond anticipation notes of the
71 county in an outstanding aggregate principal amount not to exceed \$29,000,000,
72 authorized to be issued in one or more series by this ordinance to provide interim
73 financing for the Green River Flood Mitigation Project. Each series of Notes may be
74 issued as either Tax-Exempt Obligations or Taxable Obligations, as provided in Section
75 5.E of this ordinance.

76 "Official Notice of Bond Sale" means, with respect to each series of the Bonds
77 that is sold by competitive bid, the official notice of sale therefor prepared pursuant to
78 Section 4.E hereof.

79 "Official Notice of Note Sale" means, with respect to each series of the Notes that
80 is sold by competitive bid, the official notice of sale therefor prepared pursuant to Section
81 5.E hereof.

82 "Rebate Amount" means the amount, if any, determined to be payable with
83 respect to the Notes or the Bonds, as applicable, by the county to the United States of
84 America in accordance with Section 148(f) of the Code.

Ordinance

85 "Register" means the registration books maintained by the Registrar for purposes
86 of identifying ownership of the Notes and the Bonds.

87 "Registrar" means the fiscal agency of the State of Washington appointed from
88 time to time by the Washington State Finance Committee pursuant to chapter 43.80
89 RCW.

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

92 "Taxable Obligations" means the Notes or Bonds, as applicable, of any series
93 determined to be issued on a taxable basis (including, but not limited to, any BABs)
94 pursuant to Section 5.E or Section 4.E of this ordinance, as applicable.

95 "Tax-Exempt Obligations" means the Notes or Bonds, as applicable, of any series
96 determined to be issued on a tax-exempt basis pursuant to Section 5.E or Section 4.E of
97 this ordinance, as applicable.

98 **SECTION 2. Findings.** The county council hereby makes the following
99 findings:

100 A. The Green River Flood Mitigation Project will contribute to the health, safety
101 and welfare of the citizens of the county.

102 B. The issuance of limited tax general obligation bonds of the county to provide
103 long-term financing for the Green River Flood Mitigation Project, payable from regular
104 property taxes, and the issuance and sale of limited tax general obligation bond
105 anticipation notes of the county to provide interim financing therefor, payable from the
106 proceeds of the sale of such bonds or other revenues, taxes and money of the county

107 legally available for such purposes, will reduce the overall costs of borrowing such funds
108 and is in the best interests of the county and its citizens.

109 **SECTION 3. Authorization of Green River Flood Mitigation Project.** The
110 county has previously authorized the undertaking of the Green River Flood Mitigation
111 Project. The costs of the Green River Flood Mitigation Project shall also include (a)
112 capitalized interest, interest on the Notes or other interim financing for such projects
113 pending receipt of Bond proceeds, and costs and expenses incurred in issuing the Notes
114 and the Bonds; (b) the capitalizable costs of sales tax, acquisition and contingency
115 allowances, financing, and any and all surveys, explorations, engineering and
116 architectural studies, drawings, designs and specifications incidental, necessary or
117 convenient to the implementation of the Green River Flood Mitigation Project; and (c)
118 the purchase of all materials, supplies, appliances, equipment and facilities, and the
119 permits, franchises, property and property rights and administrative costs, necessary,
120 incidental or convenient to the implementation of the Green River Flood Mitigation
121 Project.

122 The Green River Flood Mitigation Project may be modified where deemed
123 advisable or necessary in the judgment of the county council, and implementation or
124 completion of any authorized component thereof shall not be required if the county
125 council determines that it has become inadvisable or impractical. If all of the Green
126 River Flood Mitigation Project has been completed, or its completion duly provided for,
127 or their completion found to be inadvisable or impractical, the county may apply any
128 remaining proceeds of the Notes or the Bonds, or any portion thereof, to the acquisition
129 or improvement of other county projects as the county council in its discretion may

130 determine. In the event that the proceeds of the sale of the Notes and the Bonds, plus any
131 other money of the county legally available therefor, are insufficient to accomplish all of
132 the Green River Flood Mitigation Project, the county shall use the available funds for
133 paying the cost of those components of the Green River Flood Mitigation Project deemed
134 by the county council most necessary and in the best interest of the county.

135 **SECTION 4. Purpose, Authorization and Description of Bonds.**

136 A. Purpose and Authorization of Bonds. The county authorizes the issuance of
137 the Bonds to provide long-term financing the Green River Flood Mitigation Project. The
138 long-term financing provided by the Bonds may be in the form of new money financing
139 for the Green River Flood Mitigation Project, or in the form of a current refunding of
140 outstanding Notes, or any combination thereof.

141 B. Description of Bonds. The Bonds may be issued in one or more series so long
142 as the aggregate principal amount of the Bonds to be outstanding on the date of issuance
143 of each series of the Bonds does not to exceed the remainder of \$29,000,000 less the
144 aggregate principal amount of any Notes to be outstanding on the date of issuance of such
145 series of the Bonds. Each series of the Bonds shall be designated "King County,
146 Washington, Limited Tax General Obligation Bonds," with the year and any applicable
147 series designation and with the additional designation of "Taxable" for any series of
148 Bonds issued as Taxable Obligations, all as established by the related Bond Sale Motion.
149 Each series of the Bonds shall be dated as of such date, shall mature on the date or dates
150 in each of the years and in the principal amounts, shall bear interest (computed on the
151 basis of a 360-day year of twelve 30-day months) from their date or the most recent
152 interest payment date to which interest has been paid or duly provided for, whichever is

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153 later, at the rates and payable on such dates, and shall be subject to redemption prior to
154 maturity in the amounts, in the manner and at the prices, and shall be subject to such
155 other terms and provisions as the county shall establish by the related Bond Sale Motion.
156 Each series of the Bonds shall be fully registered as to both principal and interest, shall be
157 in the denomination of \$5,000 each or any integral multiple thereof (but no Bond shall
158 represent more than one maturity), shall be numbered separately in such manner and with
159 any additional designation as the Registrar deems necessary for purposes of
160 identification.

161 C. Initial Immobilization of Bonds; Depository Provisions. The Bonds of each
162 series shall initially be held in fully immobilized form by DTC acting as depository
163 pursuant to the terms and conditions set forth in the Blanket Issuer Letter of
164 Representations heretofore executed on behalf of the county. Neither the county nor the
165 Registrar shall have any responsibility or obligation to DTC participants or the persons
166 for whom they act as nominees with respect to such Bonds with respect to the accuracy of
167 any records maintained by DTC or any DTC participant, the payment by DTC or any
168 DTC participant of any amount in respect of principal or redemption price or interest on
169 such Bonds, any notice that is permitted or required to be given to registered owners
170 under this ordinance (except such notice as is required to be given by the county to the
171 Registrar or to DTC), the selection by DTC or any DTC participant of any person to
172 receive payment in the event of a partial redemption of such Bonds or any consent given
173 or other action taken by DTC as owner of such Bonds.

174 The Bonds of each series shall initially be issued in denominations equal to the
175 aggregate principal amount of each maturity and initially shall be registered in the name

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176 of CEDE & Co., as the nominee of DTC. Such Bonds so registered shall be held in fully
177 immobilized form by DTC as depository. For so long as any such Bonds are held in fully
178 immobilized form, DTC, its successor or any substitute depository appointed by the
179 county, as applicable, shall be deemed to be the registered owner for all purposes
180 hereunder and all references to registered owners, bondowners, bondholders, owners or
181 the like shall mean DTC or its nominees and shall not mean the owners of any beneficial
182 interests in the Bonds. Registered ownership of such Bonds, or any portions thereof, may
183 not thereafter be transferred except:

184 (1) To any successor of DTC or its nominee, if that successor shall be qualified
185 under any applicable laws to provide the services proposed to be provided by it;

186 (2) To any substitute depository appointed by the county pursuant to this
187 subsection or such substitute depository's successor; or

188 (3) To any person as herein provided if such Bonds are no longer held in
189 immobilized form.

190 Upon the resignation of DTC or its successor (or any substitute depository or its
191 successor) from its functions as depository, or a determination by the county that it is no
192 longer in the best interests of beneficial owners of such Bonds to continue the system of
193 book entry transfers through DTC or its successor (or any substitute depository or its
194 successor), the county may appoint a substitute depository. Any such substitute
195 depository shall be qualified under any applicable laws to provide the services proposed
196 to be provided by it.

197 In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of
198 this subsection, the Registrar, upon receipt of all outstanding Bonds of such series

199 together with a written request on behalf of the county, shall issue a single new Bond
200 certificate for each maturity of Bonds of such series then outstanding, registered in the
201 name of such successor or such substitute depository, or their nominees, as the case may
202 be, all as specified in such written request of the county.

203 In the event that DTC or its successor (or substitute depository or its successor)
204 resigns from its functions as depository, and no substitute depository can be obtained; or
205 the county determines that it is in the best interests of the beneficial owners of the Bonds
206 of any series that they be able to obtain Bond certificates, the ownership of such Bonds
207 may be transferred to any person as herein provided, and such Bonds shall no longer be
208 held in fully immobilized form. The county shall deliver a written request to the
209 Registrar, together with a supply of definitive Bonds of such series, to issue Bonds of
210 such series as herein provided in any authorized denomination. Upon receipt of all then
211 outstanding Bonds of any series by the Registrar, together with a written request on
212 behalf of the county to the Registrar, new Bonds of such series shall be issued in such
213 denominations and registered in the names of such persons as are requested in such a
214 written request.

215 D. Place, Manner and Medium of Payment. Both principal of and interest on the
216 Bonds shall be payable in lawful money of the United States of America. For so long as
217 any outstanding Bonds are registered in the name of CEDE & Co., or its registered
218 assigns, as nominee of DTC, payments of principal of and interest on such Bonds shall be
219 made in next day funds on the date such payment is due and payable at the place and in
220 the manner provided in the Letter of Representations.

221 In the event that the Bonds of any series are no longer held in fully immobilized
222 form by DTC or its successor (or substitute depository or its successor), interest on such
223 Bonds shall be paid by checks or drafts mailed, or by wire transfer, to the owners of such
224 Bonds at the addresses for such owners appearing on the Register on the 15th day of the
225 calendar month preceding the interest payment date. Wire transfer will be made only if
226 so requested in writing and if the owner owns at least \$1,000,000 par value of such
227 Bonds. Principal of the Bonds shall be payable at maturity or on such dates as may be
228 fixed for prior redemption upon presentation and surrender of such Bonds by the owners
229 to the Registrar.

230 E. Sale of Bonds. The county hereby authorizes the public sale of the Bonds.
231 The Bonds shall be sold in one or more series, any of which may be sold in a combined
232 offering with other bonds and/or notes of the county, at the option of the Finance
233 Director. The Finance Director shall determine, in consultation with the county's
234 financial advisors, whether each series of the Bonds shall be sold by negotiated sale or
235 competitive bid, and whether such series of Bonds shall be issued and sold as Tax-
236 Exempt Obligations or Taxable Obligations.

237 If the Finance Director determines that any series of the Bonds shall be sold by
238 negotiated sale, the Finance Director shall, in accordance with applicable county
239 procurement procedures, solicit one or more underwriting firms with which to negotiate
240 the sale of the Bonds. The purchase contract for each series of the Bonds shall specify
241 whether the Bonds of such series are being issued and sold as Tax-Exempt Obligations or
242 Taxable Obligations, and shall also establish the year and any applicable series
243 designation, date, principal amounts and maturity dates, interest rates and interest

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244 payment dates, redemption provisions and delivery date for such series of the Bonds, so
245 long as the aggregate principal amount of the Bonds to be outstanding on the date of
246 issuance of such series of the Bonds does not exceed the remainder of \$29,000,000 less
247 the aggregate principal amount of any Notes to be outstanding on the date of issuance of
248 such series of the Bonds. The county council, by Bond Sale Motion, shall approve the
249 bond purchase contract and ratify whether the Bonds of such series are being issued and
250 sold as Tax-Exempt Obligations or Taxable Obligations and the other terms for the series
251 of the Bonds established thereby.

252 If the Finance Director determines that any series of the Bonds shall be sold by
253 competitive bid, bids for the purchase of each series of the Bonds shall be received at
254 such time and place and by such means as the Finance Director shall direct.

255 Upon the date and time established for the receipt of bids for each series of the
256 Bonds, the Finance Director or his designee shall open the bids for the Bonds, shall cause
257 the bids to be mathematically verified and shall report to the county council regarding the
258 bids received. Such bids shall then be considered and acted upon by the county council
259 in an open public meeting. The county council reserves the right to reject any and all
260 bids for any series of the Bonds. The county council shall, by Bond Sale Motion, ratify
261 and confirm whether the Bonds of such series are being issued and sold as Tax-Exempt
262 Obligations or Taxable Obligations, and shall also ratify and confirm the year and any
263 applicable series designation, date, principal amounts and maturity dates, interest rates
264 and interest payment dates, redemption provisions and delivery date for such series of the
265 Bonds, and accept the bid for the purchase of such series of the Bonds.

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288 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to
289 owe and for value received promises to pay to the registered owner identified above, or
290 registered assigns, on the Maturity Date specified above, the Principal Amount specified
291 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-
292 day months) from _____, or the most recent date to which interest has been
293 paid or duly provided for until payment of this Bond at the Interest Rate set forth above,
294 payable on _____, and semiannually thereafter on the ____ day of each succeeding
295 _____ and _____ to the maturity or prior redemption of this Bond.

296 Both principal of and interest on this Bond are payable in lawful money of the
297 United States of America. While Bonds are held on immobilized "book entry" system of
298 registration, the principal of this Bond is payable to the order of the registered owner in
299 same day funds received by the registered owner on the maturity date of this Bond, and
300 the interest on this Bond is payable to the order of the registered owner in same day funds
301 received by the registered owner on each interest payment date. When Bonds are no
302 longer held in an immobilized "book entry" registration system, the principal shall be
303 paid to the registered owner or nominee of such owner upon presentation and surrender
304 of this Bond to the fiscal agency of the State of Washington (the "Registrar"), and the
305 interest shall be paid by mailing a check or draft (on the date such interest is due) to the
306 registered owner or nominee of such owner at the address shown on the registration
307 books maintained by the Registrar (the "Register") as of the 15th day of the month prior
308 to the interest payment date; provided, however, that if so requested in writing by the
309 registered owner of at least \$1,000,000 par value of the Bonds, interest will be paid by
310 wire transfer.

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311 This Bond is one of an authorized issue of Bonds of like date and tenor, except as
312 to number, amount, rate of interest and date of maturity[, and redemption provisions],in
313 the aggregate principal amount of \$ _____, and is issued to provide long-term
314 financing for the Green River Flood Mitigation Project defined and described in King
315 County Ordinance ____ (the "Bond Ordinance"). Capitalized words and phrases used
316 but not defined herein shall have the meanings set forth in the Bond Ordinance.

317 The Bonds of this issue are issued under and in accordance with the provisions of
318 the Constitution and applicable statutes of the State of Washington, the County Charter
319 and applicable ordinances duly adopted by the County.

320 [The Bonds of this issue are subject to redemption prior to maturity as follows:
321 (information to come from related Bond Sale Motion)].

322 The County has irrevocably covenanted in the Bond Ordinance that, for as long as
323 any of the Bonds are outstanding and unpaid, each year it will include in its budget and
324 levy an *ad valorem* tax within the constitutional and statutory tax limitations provided by
325 law without a vote of the people upon all the property within the County subject to
326 taxation in an amount that will be sufficient, together with all other revenues, taxes and
327 money of the County legally available for such purposes, to pay the principal of and
328 interest on the Bonds as the same shall become due. The County has irrevocably pledged
329 its full faith, credit and resources for the annual levy and collection of such taxes and for
330 the prompt payment of the principal of and interest on the Bonds as the same shall
331 become due.

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332 The pledge of tax levies for repayment of principal of and interest on the Bonds
333 may be discharged prior to maturity of the Bonds by making provisions for the payment
334 thereof on the terms and conditions set forth in the Bond Ordinance.

335 This Bond shall not be valid or become obligatory for any purpose or be entitled
336 to any security or benefit under the Bond Ordinance until the Certificate of
337 Authentication hereon shall have been manually signed by the Registrar.

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

344 [Add so long as Bonds are held in fully immobilized form by DTC: Unless this
345 certificate is presented by an authorized representative of The Depository Trust
346 Company, a New York corporation ("DTC"), to the Registrar for registration of transfer,
347 exchange or payment, and any certificate issued is registered in the name of Cede & Co.
348 or in such other name as is requested by an authorized representative of DTC (and any
349 payment is made to Cede & Co. or to such other entity as is requested by an authorized
350 representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR
351 VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as
352 the registered owner hereof, Cede & Co., has an interest herein.]

353 IN WITNESS WHEREOF, the County has caused this Bond to be executed by
354 the manual or facsimile signatures of the County Executive and the Clerk of the County

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355 Council, and the seal of the County to be impressed or imprinted hereon, as of this
356 [] day of [].

357 KING COUNTY, WASHINGTON

358 By _____

359 County Executive

360 ATTEST:

361 _____

362 Clerk of the Council

363 The Registrar's Certificate of Authentication on the Bonds shall be in substantially
364 the following form:

365 CERTIFICATE OF AUTHENTICATION

366 This Bond is one of the King County, Washington, Limited Tax General
367 Obligation Bonds, [Year][, Series][TAXABLE], described in the within mentioned Bond
368 Ordinance.

369 WASHINGTON STATE FISCAL

370 AGENCY, as Registrar

371 By _____

372 Authorized Officer

373 ASSIGNMENT

374 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
375 unto

376 _____

377 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

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378 NUMBER OF TRANSFEREE

379 []

380 _____

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

382 _____

383 the within Bond and does hereby irrevocably constitute and appoint _____

384 _____, or its successor, as Registrar to transfer said Bond on the

385 books kept for registration thereof with full power of substitution in the premises.

386 DATED: _____, _____.

387 _____

388 NOTE: The signature on this
389 Assignment must correspond with
390 the name of the registered owner as
391 it appears upon the face of the within
392 note in every particular, without
393 alteration or enlargement or any
394 change whatever.

395 SIGNATURE GUARANTEED:

396 _____

397 NOTE: Signature must be guaranteed by an eligible guarantor.

398 G. Delivery of Bonds. Following the sale of each series of the Bonds, the county
399 shall cause definitive Bonds of such series to be prepared, executed and delivered, which
400 Bonds may be wordprocessed, typewritten, lithographed or printed.

401 If definitive Bonds of any series are not ready for delivery by the date established
402 for their delivery to the initial purchasers thereof, then the Finance Director, upon the
403 approval of the purchasers, may cause to be issued and delivered to the purchasers one or
404 more temporary Bonds of the same series with appropriate omissions, changes and
405 additions. Any such temporary Bond or Bonds shall be entitled and subject to the same
406 benefits and provisions of this ordinance with respect to the payment, security and
407 obligation thereof as definitive Bonds authorized thereby. Such temporary Bond or
408 Bonds shall be exchangeable without cost to the owners thereof for definitive Bonds of
409 the same series when the latter are ready for delivery.

410 H. Execution of Bonds. The Bonds shall be executed on behalf of the county
411 with the manual or facsimile signatures of the county executive and the clerk of the
412 council, and shall have the seal of the county impressed or imprinted thereon.

413 In case either or both of the officers who shall have executed the Bonds shall
414 cease to be an officer or officers of the county before the Bonds so signed shall have been
415 authenticated or delivered by the Registrar, or issued by the county, such Bonds may
416 nevertheless be authenticated, delivered and issued and upon such authentication,
417 delivery and issuance, shall be as binding upon the county as though those who signed
418 the same had continued to be such officers of the county. Any Bond also may be signed
419 and attested on behalf of the county by such persons as at the actual date of execution of
420 such Bond shall be the proper officers of the county although at the original date of such
421 Bond any such person shall not have been such officer of the county.

422 Only such Bonds as shall bear thereon a Certificate of Authentication in the form
423 hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for

424 any purpose or entitled to the benefits of this ordinance. Such Certificate of
425 Authentication shall be conclusive evidence that the Bonds so authenticated have been
426 duly executed, authenticated and delivered hereunder and are entitled to the benefits of
427 this ordinance.

428 **SECTION 5. Purpose, Authorization and Description of Notes.**

429 A. Purpose and Authorization of Notes. The county authorizes the issuance of
430 the Notes to provide interim financing for the Green River Flood Mitigation Project. The
431 interim financing provided by the Notes may be in the form of new money financing for
432 the Green River Flood Mitigation Project, or in the form of a current refunding (a
433 "rollover") of outstanding Notes pending the issuance of Bonds and the receipt of Bond
434 proceeds to provide long-term financing therefor, or any combination thereof.

435 B. Description of Notes. The Notes may be issued in one or more series so long
436 as the aggregate principal amount of the Notes to be outstanding on the date of issuance
437 of each series of the Notes does not to exceed the remainder of \$29,000,000 less the
438 aggregate principal amount of any Bonds to be outstanding on the date of issuance of
439 such series of the Notes. Each series of the Notes shall be designated "King County,
440 Washington, Limited Tax General Obligation Bond Anticipation Notes," with the year
441 and any applicable series designation and with the additional designation of "Taxable" for
442 any series of Notes issued as Taxable Obligations, all as established by the related Note
443 Sale Motion. Each series of the Notes shall be dated as of such date, shall mature on the
444 date or dates in each of the years and in the principal amounts, shall bear interest
445 (computed on the basis of a 360-day year of twelve 30-day months) from their date or the
446 most recent interest payment date to which interest has been paid or duly provided for,

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447 whichever is later, at the rates and payable on such dates, and shall be subject to
448 redemption prior to maturity in the amounts, in the manner and at the prices, and shall be
449 subject to such other terms and provisions as the county shall establish by the related
450 Note Sale Motion. Each series of the Notes shall be fully registered as to both principal
451 and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof
452 (but no Note shall represent more than one maturity), shall be numbered separately in
453 such manner and with any additional designation as the Registrar deems necessary for
454 purposes of identification.

455 C. Initial Immobilization of Notes; Depository Provisions. The Notes of each
456 series shall initially be held in fully immobilized form by DTC acting as depository
457 pursuant to the terms and conditions set forth in the Blanket Issuer Letter of
458 Representations heretofore executed on behalf of the county. Neither the county nor the
459 Registrar shall have any responsibility or obligation to DTC participants or the persons
460 for whom they act as nominees with respect to such Notes with respect to the accuracy of
461 any records maintained by DTC or any DTC participant, the payment by DTC or any
462 DTC participant of any amount in respect of principal or redemption price or interest on
463 such Notes, any notice that is permitted or required to be given to registered owners
464 under this ordinance (except such notice as is required to be given by the county to the
465 Registrar or to DTC), the selection by DTC or any DTC participant of any person to
466 receive payment in the event of a partial redemption of such Notes or any consent given
467 or other action taken by DTC as owner of such Notes.

468 The Notes of each series shall initially be issued in denominations equal to the
469 aggregate principal amount of each maturity and initially shall be registered in the name

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470 of CEDE & Co., as the nominee of DTC. Such Notes so registered shall be held in fully
471 immobilized form by DTC as depository. For so long as any such Notes are held in fully
472 immobilized form, DTC, its successor or any substitute depository appointed by the
473 county, as applicable, shall be deemed to be the registered owner for all purposes
474 hereunder and all references to registered owners, noteowners, noteholders, owners or the
475 like shall mean DTC or its nominees and shall not mean the owners of any beneficial
476 interests in the Notes. Registered ownership of such Notes, or any portions thereof, may
477 not thereafter be transferred except:

478 (1) To any successor of DTC or its nominee, if that successor shall be qualified
479 under any applicable laws to provide the services proposed to be provided by it;

480 (2) To any substitute depository appointed by the county pursuant to this
481 subsection or such substitute depository's successor; or

482 (3) To any person as herein provided if such Notes are no longer held in
483 immobilized form.

484 Upon the resignation of DTC or its successor (or any substitute depository or its
485 successor) from its functions as depository, or a determination by the county that it is no
486 longer in the best interests of beneficial owners of such Notes to continue the system of
487 book entry transfers through DTC or its successor (or any substitute depository or its
488 successor), the county may appoint a substitute depository. Any such substitute
489 depository shall be qualified under any applicable laws to provide the services proposed
490 to be provided by it.

491 In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of
492 this subsection, the Registrar, upon receipt of all outstanding Notes of such series

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493 together with a written request on behalf of the county, shall issue a single new Note
494 certificate for each maturity of Notes of such series then outstanding, registered in the
495 name of such successor or such substitute depository, or their nominees, as the case may
496 be, all as specified in such written request of the county.

497 In the event that DTC or its successor (or substitute depository or its successor)
498 resigns from its functions as depository, and no substitute depository can be obtained; or
499 the county determines that it is in the best interests of the beneficial owners of the Notes
500 of any series that they be able to obtain Note certificates, the ownership of such Notes
501 may be transferred to any person as herein provided, and such Notes shall no longer be
502 held in fully immobilized form. The county shall deliver a written request to the
503 Registrar, together with a supply of definitive Notes of such series, to issue Notes of such
504 series as herein provided in any authorized denomination. Upon receipt of all then
505 outstanding Notes of such series by the Registrar, together with a written request on
506 behalf of the county to the Registrar, new Notes of such series shall be issued in such
507 denominations and registered in the names of such persons as are requested in such a
508 written request.

509 D. Place, Manner and Medium of Payment. Both principal of and interest on the
510 Notes shall be payable in lawful money of the United States of America. For so long as
511 any outstanding Notes are registered in the name of CEDE & Co., or its registered
512 assigns, as nominee of DTC, payments of principal of and interest on such Notes shall be
513 made in next day funds on the date such payment is due and payable at the place and in
514 the manner provided in the Letter of Representations.

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515 In the event that the Notes of any series are no longer held in fully immobilized
516 form by DTC or its successor (or substitute depository or its successor); interest on such
517 Notes shall be paid by checks or drafts mailed, or by wire transfer, to the owners of such
518 Notes at the addresses for such owners appearing on the Register on the 15th day of the
519 calendar month preceding the interest payment date. Wire transfer will be made only if
520 so requested in writing and if the owner owns at least one million dollars (\$1,000,000)
521 par value of such Notes. Principal of the Notes shall be payable at maturity or on such
522 dates as may be fixed for prior redemption upon presentation and surrender of such Notes
523 by the owners to the Registrar.

524 E. Sale of Notes. The county hereby authorizes the public sale of the Notes. The
525 Notes shall be sold in one or more series, any of which may be sold in a combined
526 offering with other bonds and/or notes of the county, at the option of the Finance
527 Director. The Finance Director shall determine, in consultation with the county's
528 financial advisors, whether each series of the Notes shall be sold by negotiated sale or
529 competitive bid, and whether such series of Notes shall be issued and sold as Tax-Exempt
530 Obligations or Taxable Obligations.

531 If the Finance Director determines that any series of the Notes shall be sold by
532 negotiated sale, the Finance Director shall, in accordance with applicable county
533 procurement procedures, solicit one or more underwriting firms with which to negotiate
534 the sale of the Notes. The purchase contract for each series of the Notes shall specify
535 whether the Notes of such series are being issued and sold as Tax-Exempt Obligations or
536 Taxable Obligations, and shall also establish the year and any applicable series
537 designation, date, principal amounts and maturity dates, interest rates and interest

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538 payment dates, redemption provisions and delivery date for such series of the Notes, so
539 long as the aggregate principal amount of the Notes to be outstanding on the date of
540 issuance of such series of the Notes does not exceed the remainder of \$29,000,000 less
541 the aggregate principal amount of any Bonds to be outstanding on the date of issuance of
542 such series of the Notes. The county council, by Note Sale Motion, shall approve the
543 Note purchase contract and ratify whether the Notes of such series are being issued and
544 sold as Tax-Exempt Obligations or Taxable Obligations and the other terms for such
545 series of the Notes established thereby.

546 If the Finance Director determines that any series of the Notes shall be sold by
547 competitive bid, bids for the purchase of each series of the Notes shall be received at such
548 time and place and by such means as the Finance Director shall direct.

549 Upon the date and time established for the receipt of bids for each series of the
550 Notes, the Finance Director or his designee shall open the bids for the Notes, shall cause
551 the bids to be mathematically verified and shall report to the county council regarding the
552 bids received. Such bids shall then be considered and acted upon by the county council
553 in an open public meeting. The county council reserves the right to reject any and all
554 bids for any series of the Notes. The county council shall, by Note Sale Motion, ratify
555 and confirm whether the Notes of such series are being issued and sold as Tax-Exempt
556 Obligations or Taxable Obligations, and shall also ratify and confirm the year and any
557 applicable series designation, date, principal amounts and maturity dates, interest rates
558 and interest payment dates, redemption provisions and delivery date for such series of the
559 Notes, and accept the bid for the purchase of such series of the Notes.

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582 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to
583 owe and for value received promises to pay to the registered owner identified above, or
584 registered assigns, on the Maturity Date specified above, the Principal Amount specified
585 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-
586 day months) from [_____], at the Interest Rate set forth above, payable on
587 _____.

588 Both principal of and interest on this Note are payable in lawful money of the
589 United States of America. While Notes are held on immobilized "book entry" system of
590 registration, the principal of this Note is payable to the order of the registered owner in
591 same day funds received by the registered owner on the maturity date of this Note, and
592 the interest on this Note is payable to the order of the registered owner in same day funds
593 received by the registered owner on each interest payment date. When Notes are no
594 longer held in an immobilized "book entry" registration system, the principal shall be
595 paid to the registered owner or nominee of such owner upon presentation and surrender
596 of this Note at the fiscal agency of the State of Washington (the "Registrar"), and the
597 interest shall be paid by mailing a check or draft (on the date such interest is due) to the
598 registered owner or nominee of such owner at the address shown on the registration
599 books maintained by the Registrar (the "Register") as of the 15th day of the month prior
600 to the interest payment date; provided, however that if so requested in writing by the
601 registered owner of at least \$1,000,000 par value of the Notes, interest will be paid by
602 wire transfer.

603 This Note is one of an authorized issue of Notes of like date and tenor, except as
604 to number and amount[, rate of interest and date of maturity], in the aggregate principal

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605 amount of \$ _____, and is issued to provide interim financing for the Green
606 River Flood Mitigation Project defined and described in King County Ordinance _____
607 (the "Note Ordinance"). Capitalized words and phrases used but not defined herein shall
608 have the meanings set forth in the Note Ordinance.

609 The Notes of this issue are issued under and in accordance with the provisions of
610 the Constitution and applicable statutes of the State of Washington, the County Charter
611 and applicable ordinances duly adopted by the County.

612 [The Notes are subject to redemption prior to their maturity as follows:
613 (information to come related Note Sale Motion)].

614 The County has irrevocably covenanted in the Note Ordinance that, for as long as
615 the Notes are outstanding and unpaid, each year it will include in its budget and levy an
616 *ad valorem* tax within the constitutional and statutory tax limitations provided by law
617 without a vote of the people upon all the property within the County subject to taxation in
618 an amount that will be sufficient, together with all other revenues, taxes and money of the
619 County legally available for such purposes, to pay the principal of and interest on the
620 Notes as the same shall become due. The County has irrevocably pledged its full faith,
621 credit and resources for the annual levy and collection of such taxes and for the prompt
622 payment of the principal of and interest on the Notes as the same shall become due.

623 The pledge of tax levies for repayment of principal of and interest on the Notes
624 may be discharged prior to maturity of the Notes by making provisions for the payment
625 thereof on the terms and conditions set forth in the Note Ordinance.

Ordinance

649 By _____

650 County Executive

651 ATTEST:

652 _____

653 Clerk of the Council

654 The Registrar's Certificate of Authentication on the Notes shall be in substantially
655 the following form:

656 CERTIFICATE OF AUTHENTICATION

657 This Note is one of King County, Washington, Limited Tax General Obligation
658 Bond Anticipation Notes, [Year][, Series][TAXABLE] described in the within mentioned
659 Note Ordinance.

660 WASHINGTON STATE FISCAL

661 AGENCY, as Registrar

662 By _____

663 Authorized Officer

664 ASSIGNMENT

665 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
666 unto

667 _____

668 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

669 NUMBER OF TRANSFEREE

670 []

671 _____

Ordinance

672 (Please print or typewrite name and address, including zip code of Transferee)
673 _____
674 the within Note and does hereby irrevocably constitute and appoint _____
675 _____, or its successor, as Registrar to transfer said Note on the
676 books kept for registration thereof with full power of substitution in the premises.

677 DATED: _____, _____.

678 _____

679 NOTE: The signature on this
680 Assignment must correspond with
681 the name of the registered owner as
682 it appears upon the face of the within
683 Note in every particular, without
684 alteration or enlargement or any
685 change whatever.

686 SIGNATURE GUARANTEED:
687 _____

688 NOTE: Signature must be guaranteed by an eligible guarantor.

689 G. Delivery of Notes. Following the sale of each series of the Notes, the county
690 shall cause definitive Notes of such series to be prepared, executed and delivered, which
691 Notes may be wordprocessed, typewritten, lithographed or printed.

692 If definitive Notes of any series are not ready for delivery by the date established
693 for their delivery to the initial purchasers thereof, then the Finance Director, upon the
694 approval of the purchasers, may cause to be issued and delivered to the purchasers one or

Ordinance

695 more temporary Notes of the same series with appropriate omissions, changes and
696 additions. Any such temporary Note or Notes shall be entitled and subject to the same
697 benefits and provisions of this ordinance with respect to the payment, security and
698 obligation thereof as definitive Notes authorized thereby. Such temporary Note or Notes
699 shall be exchangeable without cost to the owners thereof for definitive Notes of the same
700 series when the latter are ready for delivery.

701 H. Execution of Notes. The Notes shall be executed on behalf of the county with
702 the manual or facsimile signatures of the county executive and the clerk of the council,
703 and shall have the seal of the county impressed or imprinted thereon.

704 In case either or both of the officers who shall have executed the Notes shall cease
705 to be an officer or officers of the county before the Notes so signed shall have been
706 authenticated or delivered by the Registrar, or issued by the county, such Notes may
707 nevertheless be authenticated, delivered and issued and upon such authentication,
708 delivery and issuance, shall be as binding upon the county as though those who signed
709 the same had continued to be such officers of the county. Any Note also may be signed
710 and attested on behalf of the county by such persons as at the actual date of execution of
711 such Note shall be the proper officers of the county although at the original date of such
712 Note any such person shall not have been such officer of the county.

713 Only such Notes as shall bear thereon a Certificate of Authentication in the form
714 hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for
715 any purpose or entitled to the benefits of this ordinance. Such Certificate of
716 Authentication shall be conclusive evidence that the Notes so authenticated have been

717 duly executed, authenticated and delivered hereunder and are entitled to the benefits of
718 this ordinance.

719 **SECTION 6. Open Market Purchase.** The county reserves the right to purchase
720 any or all of the Notes or the Bonds of any series on the open market at any time and at
721 any price.

722 **SECTION 7. Registration, Transfer and Exchange of Notes and Bonds.** The
723 county hereby adopts for the Notes and the Bonds the system of registration specified and
724 approved by the Washington State Finance Commission. The Registrar shall keep, or
725 cause to be kept, at its principal corporate trust office, sufficient books for the registration
726 and transfer of the Notes and the Bonds, which shall at all times be open to inspection by
727 the county. Such Register shall contain the name and mailing address of the owner (or
728 nominee thereof) of each Note and Bond, and the principal amount and number of Notes
729 held by each owner or nominee. The Registrar is authorized, on behalf of the county, to
730 authenticate and deliver Notes and Bonds transferred or exchanged for other Notes and
731 Bonds, respectively, in accordance with the provisions thereof and this ordinance, and to
732 carry out all of the Registrar's powers and duties under this ordinance.

733 The Registrar shall be responsible for its representations contained in the
734 Certificate of Authentication on the Notes and the Bonds. The Registrar may become the
735 owner of Notes or Bonds with the same rights it would have if it were not the Registrar,
736 and to the extent permitted by law may act as depository for and permit any of its officers
737 or directors to act as a member of, or in any other capacity with respect to, any committee
738 formed to protect the rights of Note or Bond owners.

Ordinance

739 Upon surrender thereof to the Registrar; the Notes of each series are exchangeable
740 for other Notes of the same series, maturity and interest rate and for the same aggregate
741 principal amount, in any authorized denomination, and the Bonds of each series are
742 exchangeable for other Bonds of the same series, maturity and interest rate and for the
743 same aggregate principal amount, in any authorized denomination. Notes and Bonds may
744 be transferred only if endorsed in the manner provided thereon and surrendered to the
745 Registrar. Upon such surrender, the Registrar shall cancel the surrendered Note or Bond
746 and shall authenticate and deliver, without charge to the owner or transferee therefor
747 (other than taxes, if any, payable on account of such transfer), one or more (at the option
748 of the new registered owner) new Notes or Bonds, as applicable, of the same series,
749 maturity and interest rate and for the same aggregate principal amount, in any authorized
750 denomination, naming as registered owner the person or persons listed as the assignee on
751 the assignment form appearing on the canceled and surrendered Note or Bond, in
752 exchange therefor. The Registrar shall not be obligated to transfer or exchange any Note
753 or Bond during the period beginning at the opening of business on the 15th day of the
754 month next preceding the maturity date thereof and ending at the close of business on
755 such maturity date.

756 The county and the Registrar, each in its discretion, may deem and treat the
757 registered owner of each Note and Bond as the absolute owner thereof for all purposes,
758 and neither the county nor the Registrar shall be affected by any notice to the contrary.

759 SECTION 8. Mutilated, Lost, Stolen or Destroyed Notes and Bonds. If any
760 Note or Bond shall become mutilated, the Registrar shall authenticate and deliver one or
761 more (at the option of the new registered owner) new Notes or Bonds, as applicable, of

Ordinance

762 the same series, maturity and interest rate and for the same aggregate principal amount, in
763 any authorized denomination, in exchange and substitution therefor, upon the owner's
764 paying the expenses and charges of the county and the Registrar in connection therewith
765 and upon surrender to the Registrar of the mutilated Note or Bond. Every mutilated Note
766 or Bond so surrendered shall be canceled and destroyed by the Registrar.

767 If any Note or Bond shall be lost, stolen or destroyed, the Registrar may
768 authenticate and deliver one or more (at the option of the new registered owner) new
769 Notes or Bonds, as applicable, of the same series, maturity and interest rate and for the
770 same aggregate principal amount, in any authorized denomination, to the registered
771 owner thereof upon the owner's paying the expenses and charges of the county and the
772 Registrar in connection therewith and upon his/her filing with the Registrar evidence
773 satisfactory to the Registrar that such Note or Bond was actually lost, stolen or destroyed
774 and of his/her ownership thereof, and upon furnishing the county and the Registrar with
775 indemnity satisfactory to the Finance Director and the Registrar.

776 SECTION 9. Pledge of Taxation and Credit. The county hereby irrevocably
777 covenants and agrees for as long as any of the Notes or the Bonds are outstanding and
778 unpaid, that each year it will include in its budget and levy an *ad valorem* tax within the
779 constitutional and statutory tax limitations provided by law without a vote of the people
780 upon all the property within the county subject to taxation in an amount that will be
781 sufficient, together with all other revenues, taxes and money of the county legally
782 available for such purposes, to pay the principal of and interest on the Notes and the
783 Bonds as the same shall become due.

Ordinance

784 The county hereby irrevocably pledges that the annual tax provided for herein to
785 be levied for the payment of such principal and interest shall be within and as a part of
786 the tax levy to counties without a vote of the people, and that a sufficient portion of each
787 annual levy to be levied and collected by the county prior to the full payment of the
788 principal of and interest on the Notes and Bonds will be and is hereby irrevocably set
789 aside, pledged and appropriated for the payment of the principal of and interest on the
790 Notes and the Bonds.

791 The full faith, credit and resources of the county are hereby irrevocably pledged
792 for the annual levy and collection of said taxes and for the prompt payment of the
793 principal of and interest on the Notes and the Bonds as the same shall become due.

794 SECTION 10. Federal Tax Law Covenants. The county shall comply with the
795 provisions of this section with respect to each series of the Notes and the Bonds that are
796 issued as Tax-Exempt Obligations or BABs unless, in the written opinion of nationally-
797 recognized bond counsel to the county, such compliance is not required.

798 The county hereby covenants that it will not make any use of the proceeds from
799 the sale of such series of the Notes or the Bonds that are issued as Tax-Exempt
800 Obligations or BABs or any other funds of the county that may be deemed to be proceeds
801 of such series of the Notes or the Bonds pursuant to Section 148 of the Code and the
802 applicable regulations thereunder that will cause such series of the Notes or the Bonds to
803 be "arbitrage bonds" within the meaning of said Section and said regulations. The county
804 will comply with the applicable requirements of Section 148 of the Code (or any
805 successor provision thereof applicable to such series of the Notes or the Bonds) and the
806 applicable regulations thereunder throughout the term of such series of the Notes or the

807 Bonds. In particular, the county will compute, if necessary, and pay the Rebate Amount,
808 if any, to the United States of America at the times and in the amounts necessary to meet
809 the requirements of the Code, as set forth in the related Federal Tax Certification for such
810 series of the Notes or the Bonds.

811 The county further covenants that it will not take any action or permit any action
812 to be taken that would cause any series of the Notes or the Bonds that are issued as Tax-
813 Exempt Obligations or BABs to constitute "private activity bonds" under Section 141 of
814 the Code.

815 **SECTION 11. Other Covenants and Warranties.** The county makes the
816 following additional covenants and warranties:

817 A. The county has full legal right, power and authority to adopt this ordinance, to
818 sell, issue and deliver each series of the Notes and the Bonds as provided herein, and to
819 carry out and consummate all other transactions contemplated by this ordinance.

820 B. By all necessary official action prior to or concurrently herewith, the county
821 has duly authorized and approved the execution and delivery of, and the performance by
822 the county of its obligations contained in the Notes, the Bonds and this ordinance and the
823 consummation by it of all other transactions necessary to effectuate this ordinance in
824 connection with the issuance of each series of the Notes and the Bonds, and such
825 authorizations and approvals are in full force and effect and have not been amended,
826 modified or supplemented in any material respect.

827 C. This ordinance constitutes a legal, valid and binding obligation of the county.

828 D. When issued, sold, authenticated and delivered, each series of the Notes and
829 the Bonds will constitute legal, valid and binding general obligations of the county.

830 E. Until all Notes and Bonds of a series shall have been surrendered and
831 canceled, the county will maintain or cause to be maintained a system of registration of
832 the Notes and the Bonds of such series that complies with the applicable provisions of the
833 Code.

834 F. The adoption of this ordinance, and compliance on the county's part with the
835 provisions contained herein, will not conflict with, constitute a breach of, or constitute a
836 default under, any constitutional provisions, law, administrative regulation, judgment,
837 decree, loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement
838 or other instrument to which the county is a party or to which the county or any of its
839 property or assets are otherwise subject.

840 G. The county finds and covenants that the Notes and the Bonds of each series
841 are issued within all statutory and constitutional debt limitations applicable to the county.

842 SECTION 12. Note and Bond Funds. There has heretofore been created in the
843 office of the Finance Director a special fund known as the "King County Limited Tax
844 General Obligation Bond Redemption Fund" to be drawn upon for the purpose of paying
845 the principal of and interest on the limited tax general obligation bonds of the county.
846 There is hereby authorized to be created within said fund a special account for each series
847 of the Notes to be known as the "Limited Tax General Obligation Bond Anticipation
848 Note Redemption Account, [Year][, Series][Taxable]" (each, a "Note Fund"), and a
849 special account for each series of the Bonds to be known as the "Limited Tax General
850 Obligation Bond Redemption Account, [Year][, Series][Taxable]" (each, a "Bond Fund").

851 Any accrued interest on any series of the Notes or the Bonds shall be deposited in
852 the related Note Fund or Bond Fund, as applicable, at the time of delivery of such series
853 of the Notes or the Bonds and shall be applied to the payment of interest thereon.

854 The taxes hereafter levied for the purpose of paying principal of and interest on
855 each series of the Notes or the Bonds and other funds to be used to pay such series of the
856 Notes or the Bonds shall be deposited in the related Note Fund or Bond Fund, as
857 applicable, no later than the date such funds are required for the payment of principal of
858 and interest on such series of the Notes or the Bonds; provided, however, that if the
859 payment of principal of and interest on any series of the Notes or the Bonds is required
860 prior to the receipt of such levied taxes, the county may make an interfund loan to the
861 related Note Fund or Bond Fund, as applicable, pending actual receipt of such taxes.
862 Each Note Fund and Bond Fund shall be drawn upon for the purpose of paying the
863 principal of and interest on the related series of the Notes or the Bonds, as applicable.
864 Money in each Note Fund and Bond Fund not needed to pay the interest or principal next
865 coming due may temporarily be deposited in such institutions or invested in such
866 obligations as may be lawful for the investment of county funds. Each Note Fund and
867 Bond Fund shall be a second tier fund in accordance with Ordinance No. 7112 and
868 K.C.C. 4.10.

869 **SECTION 13. Establishment of Green River Flood Mitigation Fund;**

870 **Application of Note and Bond Proceeds—New Money.** The county hereby establishes
871 the "Green River Flood Mitigation Fund." This fund is a first tier fund managed by the
872 director of the department of executive services. The exact amount of proceeds from the
873 sale of any series of the Notes or the Bonds to be deposited into the Green River Flood

874 Mitigation Fund to provide new money financing for the Green River Flood Mitigation
875 Project shall be determined by the Finance Director upon the sale of such series of the
876 Notes or the Bonds. Any amounts so deposited may be used to repay interim borrowing
877 (other than the Notes) used to pay the costs of the Green River Flood Mitigation Project.

878 **SECTION 14. Application of Note and Bond Proceeds—Current Refundings.**

879 The exact amount of proceeds from the sale of any series of the Notes or the Bonds to be
880 deposited into the Note Fund for another series of the Notes and applied to the payment
881 of the principal of and interest on such other series of the Notes and the costs related to
882 the current refunding thereof shall be determined by the Finance Director upon the sale of
883 such series of the Notes or the Bonds.

884 **SECTION 15. Application of Note Proceeds—General.** Funds deposited in the

885 funds and accounts described in Sections 12 and 13 hereof shall be invested as permitted
886 by law for the sole benefit of such funds and accounts. Irrespective of the general
887 provisions of Ordinance No. 7112 and K.C.C. 4.10, the county current expense fund shall
888 not receive any earnings attributable to such funds and accounts. Money other than
889 proceeds of the Notes and Bonds may be deposited in the funds and accounts described in
890 Sections 12 and 13 hereof; provided, however, that proceeds of each series of the Notes
891 or the Bonds that are issued as Tax-Exempt Obligations or BABs, and the earnings
892 thereon, shall be accounted for separately for purposes of the arbitrage rebate
893 computations required to be made under the Code. For purposes of such computations,
894 Note proceeds shall be deemed to have been expended first, then Bond proceeds, and
895 then any other funds.

896 **SECTION 16. Preliminary Official Statements and Final Official Statements.**

897 The county hereby authorizes and directs the Finance Director: (i) to review and approve
898 the information contained in the preliminary official statement (each, a "Preliminary
899 Official Statement") prepared in connection with the sale of each series of the Notes or
900 the Bonds; and (ii) for the sole purpose of compliance by the purchasers of such series of
901 the Notes or the Bonds with subsection (b)(1) of the Rule, to "deem final" the related
902 Preliminary Official Statement as of its date, except for the omission of information on
903 offering prices, interest rates, selling compensation, delivery dates, any other terms or
904 provisions required by the county to be specified in a competitive bid, ratings, other terms
905 of such series of the Notes or the Bonds dependent on such matters and the identity of the
906 purchasers. After each Preliminary Official Statement has been reviewed and approved
907 in accordance with the provisions of this section, the county hereby authorizes the
908 distribution of such Preliminary Official Statement to prospective purchasers of such
909 related series of the Notes or the Bonds.

910 Following the sale of each series of the Notes or the Bonds, the Finance Director
911 is hereby authorized to review and approve on behalf of the county a final official
912 statement with respect to such series of the Notes or the Bonds. The county agrees to
913 cooperate with the successful bidder for each series of the Notes or the Bonds to deliver
914 or cause to be delivered, within seven business days from the date of the Note Sale
915 Motion or Bond Sale Motion, as appropriate, and in sufficient time to accompany any
916 confirmation that requests payment from any customer of such successful bidder, copies
917 of a final official statement pertaining to such Notes or Bonds in sufficient quantity to

918 comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities
919 Rulemaking Board.

920 **SECTION 17. Undertaking to Provide Ongoing Disclosure.** The county
921 council will set forth an undertaking for ongoing disclosure with respect to each series of
922 the Notes or the Bonds, as required by subsection (b)(5) of the Rule, in the Note Sale
923 Motion or the Bond Sale Motion therefor, as appropriate.

924 **SECTION 18. General Authorization.** The appropriate county officials, agents
925 and representatives are hereby authorized and directed to do everything necessary for the
926 prompt sale, issuance, execution and delivery of each series of the Notes and each series
927 of the Bonds, and for the proper use and application of the proceeds of the sale thereof.

928 **SECTION 19. Refunding or Defeasance of Notes and Bonds.** The county may
929 issue refunding obligations pursuant to the laws of the State of Washington or use money
930 available from any other lawful source to pay when due the principal of and interest on
931 any series of the Notes or the Bonds, or any portion thereof included in a refunding or
932 defeasance plan, and to redeem and retire, refund or defease all such then-outstanding
933 Notes or Bonds, as appropriate, and to pay the costs of the refunding or defeasance.

934 In the event that money and/or noncallable Government Obligations maturing at
935 such time or times and bearing interest to be earned thereon in amounts (together with
936 such money, if necessary) sufficient to redeem and retire, refund or defease part or all of
937 the Notes or Bonds in accordance with their terms, are set aside in a special account of
938 the county to effect such redemption and retirement, and such money and the principal of
939 and interest on such Government Obligations are irrevocably set aside and pledged for
940 such purpose, then no further payments need be made into the Note Fund or any Bond

Ordinance

941 Fund, as appropriate, for the payment of the principal of and interest on the Notes or
942 Bonds so provided for, and such Notes or Bonds shall cease to be entitled to any lien,
943 benefit or security of this ordinance except the right to receive the money so set aside and
944 pledged, and such Notes or Bonds shall be deemed not to be outstanding hereunder.

945 Within 30 days of the defeasance of any of the Notes or Bonds, the county shall
946 provide or cause to be provided notice of defeasance of such Notes or Bonds to the
947 registered owners thereof and to the Municipal Securities Rulemaking Board, in
948 accordance with the undertaking for ongoing disclosure to be adopted pursuant to Section
949 17 hereof.

950 **SECTION 20. Contract; Severability.** The covenants applicable to the Notes
951 contained in this ordinance shall constitute a contract between the county and the owners
952 of each and every Note, and the covenants applicable to the Bonds contained in this
953 ordinance shall constitute a contract between the county and the owners of each and
954 every Bond. If any one or more of the covenants or agreements provided in this
955 ordinance to be performed on the part of the county shall be declared by any court of
956 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement
957 or agreements, shall be null and void and shall be deemed separable from the remaining
958

Ordinance

959 covenants and agreements of this ordinance and shall in no way affect the validity of the
960 other provisions of this ordinance, the Notes or the Bonds.
961

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Dow Constantine, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Kurt Triplett, County Executive

Attachments None



KING COUNTY

Signature Report

September 17, 2009

Motion

Proposed No. 2009-0561.1

Sponsors Patterson and Gossett

1 A MOTION of the county council accepting a bid for the
2 purchase of the county's Limited Tax General Obligation
3 Bond Anticipation Notes, 2009, in the aggregate principal
4 amount of \$_____ and establishing certain terms of
5 such notes in accordance with Ordinance _____.

6
7 WHEREAS, pursuant to Ordinance _____ (the "Ordinance"), the county
8 council authorized the issuance of one or more series of its limited tax general obligation
9 bonds in an outstanding aggregate principal amount not to exceed \$29,000,000 to provide
10 long-term financing for the Green River Flood Mitigation Project, defined and described
11 in the Ordinance, and further authorized the issuance and public sale of one or more
12 series of its limited tax general obligation bond anticipation notes in an outstanding
13 aggregate principal amount not to exceed \$29,000,000 to provide interim financing for
14 such project pending the issuance of the bonds, and

15 WHEREAS, the Ordinance provided that such bond anticipation notes may be
16 sold at public sale, either by negotiated sale or by competitive bid, in one or more series

Motion

17 as determined by the Finance Director in consultation with the county's financial advisor,
18 and

19 WHEREAS, the Finance Director has determined that a series of such bond
20 anticipation notes, to be designated as the county's Limited Tax General Obligation Bond
21 Anticipation Notes, 2009, in the aggregate principal amount of \$ _____ (the
22 "Notes"), be sold as provided herein, and

23 WHEREAS, currently, none of the bonds authorized by the Ordinance are
24 outstanding. Currently, none of the bond anticipation notes authorized by the Ordinance
25 are outstanding. The aggregate principal amount of all such bonds and bond anticipation
26 notes (including the Notes) to be outstanding on the date of issuance of the Notes will be
27 \$ _____, which amount does not exceed \$29,000,000, and

28 WHEREAS, a preliminary official statement dated _____, 2009, has been
29 prepared for the public sale of the Notes, the official Notice of such sale dated
30 _____, 2009, (as the "Notice"), has been duly published, and bids have been
31 received in accordance with the Notice, and

32 WHEREAS, the attached bid of _____ to purchase the Notes is the
33 best bid received for the Notes, and it is in the best interest of the county that such Notes
34 be sold to _____ on the terms set forth in the Notice, the attached bid, the
35 Ordinance and this motion;

36 NOW, THEREFORE, BE IT MOVED by the Council of King County:

37 A. Definitions. Except as expressly authorized herein, terms used in this motion
38 have the meanings set forth in the Ordinance.

Motion

39 B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of
40 Notes. The issuance of the Notes, designated as the county's Limited Tax General
41 Obligation Bond Anticipation Notes, 2009, in the aggregate principal amount of
42 \$_____, and the other terms and conditions thereof set forth in the Notice
43 attached hereto as Exhibit A, are hereby ratified and confirmed. The offer to purchase
44 the Notes, as set forth in the bid _____ attached hereto as Exhibit B, which
45 shall be deemed to be adjusted to reflect the changed aggregate principal amount of the
46 Notes, as and to the extent permitted by the Notice, is hereby accepted. The Notes shall
47 be dated their date of issue and delivery, shall mature on the date, and shall bear interest
48 payable only at maturity at the rate specified in Exhibit B. The Notes shall be [Tax-
49 Exempt][Taxable] Obligations, as defined in the Ordinance, and shall not be subject to
50 redemption. The Notes shall conform in all other respects to the terms and conditions
51 specified in the Notice and Ordinance.

52 C. Application of Note Proceeds. The proceeds of the Notes shall be applied to
53 provide interim financing for the Green River Flood Mitigation Project, and paying costs
54 and expenses incurred in issuing the Notes.

55 D. Undertaking to Provide Ongoing Disclosure.
56 1. Contract/Undertaking. This section D constitutes the county's limited written
57 undertaking for the benefit of the owners and beneficial owners of the Notes as required
58 by section (b)(5)(i)(C) of rule 15c2-12 (the "rule") of the Securities and Exchange
59 Commission.

60 2. Material Events. The county agrees to provide or cause to be provided, in a
61 timely manner, to the MSRB, notice of the occurrence of any of the following events
62 with respect to the Notes, if material:

- 63 (a) principal and interest payment delinquencies;
- 64 (b) non-payment related defaults;
- 65 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 66 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 67 (e) substitution of credit or liquidity providers, or their failure to perform;
- 68 (f) adverse tax opinions or events affecting the tax-exempt status of the Notes;
- 69 (g) modifications to rights of Noteholders;
- 70 (h) optional, contingent or unscheduled calls of any Notes other than scheduled
71 sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-
72 23856;
- 73 (i) defeasances;
- 74 (j) release, substitution or sale of property securing repayment of the Notes;
- 75 and
- 76 (k) rating changes.

77 Solely for purposes of disclosure, and not intending to modify this undertaking,
78 the county advises with reference to items (c) and (j) above that no debt service reserves
79 secure payment of the Notes and no property secures repayment of the Notes.

80 3. Electronic Format; Identifying Information. The county agrees that all
81 documents provided to the MSRB pursuant to this section D shall be provided in an

82 electronic format and accompanied by such identifying information, each as prescribed
83 by the MSRB.

84 4. Termination/Modification. The county's obligations to provide annual
85 financial information and notices of material events shall terminate upon the legal
86 defeasance, prior redemption or payment in full of all of the Notes. This section, or any
87 provision hereof, shall be null and void if the county (i) obtains an opinion of nationally
88 recognized bond counsel to the effect that those portions of the rule which require this
89 section, or any such provision, are invalid, have been repealed retroactively or otherwise
90 do not apply to the Notes; and (ii) notifies the MSRB of such opinion and the cancellation
91 of this section.

92 Notwithstanding any other provision of this motion, the county may amend this
93 section D, and any provision of this section D may be waived, with an approving opinion
94 of nationally recognized bond counsel and in accordance with the rule.

95 5. Note Owners' Remedies Under This Section. The right of any Note owner or
96 beneficial owner of Notes to enforce the provisions of this section shall be limited to a
97 right to obtain specific enforcement of the county's obligations hereunder, and any failure
98 by the county to comply with the provisions of this undertaking shall not be an event of
99 default with respect to the Notes. For purposes of this section, "beneficial owner" means
100 any person who has the power, directly or indirectly, to vote or consent with respect to, or
101 to dispose of ownership of, any Notes, including persons holding Notes through
102 nominees or depositories.

Motion

103 E. Further Authority. The county officials, their agents, and representatives are
104 hereby authorized and directed to do everything necessary for the prompt issuance and
105 delivery of the Notes and for the proper use and application of the proceeds of such sale.

106 F. Severability. The covenants contained in this motion shall constitute a
107 contract between the county and the owners of each and every Note. If any one or more
108 of the covenants or agreements provided in this motion to be performed on the part of the
109 county shall be declared by any court of competent jurisdiction to be contrary to law, then
110 such covenant or covenants, agreement or agreements, shall be null and void and shall be
111

Motion

112 deemed separable from the remaining covenants and agreements of this motion and shall
113 in no way affect the validity of the other provisions of this motion or of the Notes.
114

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Dow Constantine, Chair

ATTEST:

Anne Noris, Clerk of the Council

Kurt Triplett, County Executive

Attachments None



KING COUNTY

Signature Report

September 17, 2009

Motion

Proposed No. 2009-0562.1

Sponsors Patterson and Gossett

1 A MOTION of the county council approving a bond
2 purchase contract for the purchase of the county's Limited
3 Tax General Obligation Bond Anticipation Notes, 2009, in
4 the aggregate principal amount of \$_____, and
5 establishing certain terms of such notes in accordance with
6 Ordinance _____.

7

8 WHEREAS, pursuant to Ordinance _____ (the "Ordinance"), the county
9 council authorized the issuance of one or more series of its limited tax general obligation
10 bonds in an outstanding aggregate principal amount not to exceed \$29,000,000 to provide
11 long-term financing for the Green River Flood Mitigation Project, defined and described
12 in the Ordinance, and further authorized the issuance and public sale of one or more
13 series of its limited tax general obligation bond anticipation notes in an outstanding
14 aggregate principal amount not to exceed \$29,000,000 to provide interim financing for
15 such project pending the issuance of the bonds, and

16 WHEREAS, the Ordinance provided that such bond anticipation notes may be
17 sold at public sale, either by negotiated sale or by competitive bid, in one or more series

Motion

18 as determined by the Finance Director in consultation with the county's financial advisor,
19 and

20 WHEREAS, the Finance Director has determined that a series of such bond
21 anticipation notes, to be designated as the county's Limited Tax General Obligation Bond
22 Anticipation Notes, 2009, in the aggregate principal amount of \$_____ (the
23 "Notes"), be sold as provided herein, and

24 WHEREAS, currently, none of the bonds authorized by the Ordinance are
25 outstanding. Currently, none of the bond anticipation notes authorized by the Ordinance
26 are outstanding. The aggregate principal amount of all such bonds and bond anticipation
27 notes (including the Notes) to be outstanding on the date of issuance of the Notes will be
28 \$_____, which amount does not exceed \$29,000,000, and

29 WHEREAS, pursuant to the Ordinance, the Finance Director has negotiated the
30 sale of the Notes to _____ (the "Representative"), acting on behalf of itself,
31 _____ and _____ (collectively, the "Underwriters"), and a
32 preliminary official statement dated _____, 20__, has been prepared for the sale
33 of the Notes, and

34 WHEREAS, it is in the best interest of the county that such Notes be sold to the
35 Underwriters on the terms set forth in the attached note purchase contract (the "Purchase
36 Contract"), the Ordinance and this motion;

37 NOW, THEREFORE, BE IT MOVED by the Council of King County:

38 A. Definitions. Except as expressly authorized herein, terms used in this motion
39 have the meanings set forth in the Ordinance.

40 B. Approval of Bond Purchase Contract and Authorization of Notes. The
41 issuance of the Notes, designated as the county's Limited Tax General Obligation Bond
42 Anticipation Notes, 2009, in the aggregate principal amount of \$_____, and the
43 other terms and conditions thereof set forth in the Purchase Contract contract attached
44 hereto as Attachment A, are hereby ratified and confirmed, and the Purchase Contract is
45 hereby approved. The Notes shall be dated their date of issue and delivery, shall mature
46 on the date, and shall bear interest payable only at maturity at the rate specified in the
47 Purchase Contract. The Notes shall be [Tax-Exempt][Taxable] Obligations, as defined in
48 the Ordinance, and shall not be subject to redemption. The Notes shall conform in all
49 other respects to the terms and conditions specified in the Purchase Contract and
50 Ordinance.

51 C. Application of Note Proceeds. The proceeds of the Notes shall be applied to
52 provide interim financing for the Green River Flood Mitigation Project, and paying costs
53 and expenses incurred in issuing the Notes.

54 D. Undertaking to Provide Ongoing Disclosure.

55 1. Contract/Undertaking. This section D constitutes the county's limited written
56 undertaking for the benefit of the owners and beneficial owners of the Notes as required
57 by section (b)(5)(i)(C) of rule 15c2-12 (the "rule") of the Securities and Exchange
58 Commission.

59 2. Material Events. The county agrees to provide or cause to be provided, in a
60 timely manner to the MSRB, notice of the occurrence of any of the following events with
61 respect to the Notes, if material:

62 (a) principal and interest payment delinquencies;

Motion

- 63 (b) non-payment related defaults;
- 64 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 65 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 66 (e) substitution of credit or liquidity providers, or their failure to perform;
- 67 (f) adverse tax opinions or events affecting the tax-exempt status of the Notes;
- 68 (g) modifications to rights of Noteholders;
- 69 (h) optional, contingent or unscheduled calls of any Notes other than scheduled
- 70 sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-
- 71 23856;
- 72 (i) defeasances;
- 73 (j) release, substitution or sale of property securing repayment of the Notes;
- 74 and
- 75 (k) rating changes.

76 Solely for purposes of disclosure, and not intending to modify this undertaking,
77 the county advises with reference to items (c) and (j) above that no debt service reserves
78 secure payment of the Notes and no property secures repayment of the Notes.

79 3. Electronic Format; Identifying Information. The county agrees that all
80 documents provided to the MSRB pursuant to this section D shall be provided in an
81 electronic format and accompanied by such identifying information, each as prescribed
82 by the MSRB.

83 4. Termination/Modification. The county's obligations to provide annual
84 financial information and notices of material events shall terminate upon the legal
85 defeasance, prior redemption or payment in full of all of the Notes. This section, or any

Motion

86 provision hereof, shall be null and void if the county (i) obtains an opinion of nationally
87 recognized bond counsel to the effect that those portions of the rule which require this
88 section, or any such provision, are invalid, have been repealed retroactively or otherwise
89 do not apply to the Notes; and (ii) notifies the MSRB of such opinion and the cancellation
90 of this section.

91 Notwithstanding any other provision of this motion, the county may amend this
92 section D, and any provision of this section D may be waived, with an approving opinion
93 of nationally recognized bond counsel and in accordance with the rule.

94 5. Note Owners' Remedies Under This Section. The right of any Note owner or
95 beneficial owner of Notes to enforce the provisions of this section shall be limited to a
96 right to obtain specific enforcement of the county's obligations hereunder, and any failure
97 by the county to comply with the provisions of this undertaking shall not be an event of
98 default with respect to the Notes. For purposes of this section, "beneficial owner" means
99 any person who has the power, directly or indirectly, to vote or consent with respect to, or
100 to dispose of ownership of, any Notes, including persons holding Notes through
101 nominees or depositories.

102 E. Further Authority. The county officials, their agents, and representatives are
103 hereby authorized and directed to do everything necessary for the prompt issuance and
104 delivery of the Notes and for the proper use and application of the proceeds of such sale.

105 F. Severability. The covenants contained in this motion shall constitute a
106 contract between the county and the owners of each and every Note. If any one or more
107 of the covenants or agreements provided in this motion to be performed on the part of the
108 county shall be declared by any court of competent jurisdiction to be contrary to law, then

Motion

109 such covenant or covenants, agreement or agreements, shall be null and void and shall be
110 deemed separable from the remaining covenants and agreements of this motion and shall
111 in no way affect the validity of the other provisions of this motion or of the Notes.
112

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Dow Constantine, Chair

ATTEST:

Anne Noris, Clerk of the Council

Kurt Triplett, County Executive

Attachments None

General Government

Fund 3951 Building Repair and Replacement

	Flood Planning	1,103,157
	<i>Building Protection</i>	2,153,005
	Lease Costs	866,134
	Early Relocation Move Costs (Including Telecom costs)	3,434,621
	<i>Relocation Capital/Tenant Improvements</i>	915,750
	<i>Heavy Equipment, pumps, generators, etc</i>	1,039,326
	MRJC Shelter-in-place contingency	1,000,000
	Subtotal FMD	10,511,993
	Early Evacuation of 200 Inmates	1,640,831
	Emergency Full Evacuation of MRJC	233,018
	Subtotal DAJD	1,873,849
	Scan/Archive records - DJA, Superior Court, Jail Health, Public Health, DDES, PAO	344,501
	Subtotal Scanning	344,501
	TLT to track Green River preparation process/expenses	22,500
	Subtotal DES	22,500
	Basic Water Rescue Training	39,000
	<i>Communication Equipment upgrades</i>	30,700
	Emergency Supplies	48,617
	Subtotal Sheriff	118,317
	Mileage for Re-located District Court Employees	27,720
	Subtotal District Court	27,720
	<i>Record shelving purchase & installation</i>	217,700
	Subtotal RALS - Records	217,700
	Relocation costs	363,090
	Tenant Improvements	500,000
	Lease Costs 2009	88,710
	Subtotal Animal Control	951,800
	Elections equipment move	782,124
	Move costs	665,625
	Lease Costs 2009	492,000
	<i>AOC Tenant Improvements</i>	1,279,995
	Subtotal Elections	3,219,744
	Advertisements - Radio, bus, TV	331,750
	Brochure Mailings	198,350
	Subtotal Communication	530,100
	GIS Mapping, Volunteer Coordinator, ESG 6 support	150,000
	Subtotal Emergency Management	150,000
	Volunteer Registration Teams	102,535
	Subtotal HRD	102,535
	Overall Planning	67,500
	Radio	673,650
	Telecom (voice:wireline/wireless & voice-mail)	65,854
	Critical King County Infrastructure	614,574
	At Risk Site Relocation	2,898,333
	Emergency Communications	148,000
	Subtotal OIRM	4,467,911
395929	Subtotal General Government Flood Preparation	22,538,670
395009	<i>DJA Evidence Storage</i>	149,142
395930	Green River Flood Preparation Contingency (20%)	4,537,562
	Subtotal Capital	6,285,618
	Subtotal Operating	20,939,756
	Total Building Repair and Replacement Fund	27,225,374

Wastewater Treatment

Fund 4616 WTD Construction Fund

GRFP03	Green River Flood Preparation	7,399,300
	Total Fund 4616	7,399,300

Total All Funds	34,624,674
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