CITY OF BLACK DIAMOND

September 15, 2026 Council Meeting Agenda
Council Chambers, 25510 Lawson St.
Black Diamond, WA 98010

THIS IS OFFERED AS A HYBRID MEETING AND MAY BE ATTENDED IN PERSON AT THE ABOVE NOTED ADDRESS OR BY JOINING VIRTUAL/TELEPHONICALLY. CALL IN AND JOINING INFORMATION FOLLOWS:

Zoom link to join meeting: https://zoom.us/j/4454477047?pwd=eGxRY3ZEeU14SVM2cGRBcUxCSjdmZz09
(Note: You do not need a web cam to join the meeting, but you will need audio to hear the proceedings.)
Meeting ID: 445 447 7047 Password: Council

Telephone dial in options: +1 253 215 8782 US (Tacoma) +1 206 337 9723 US (Seattle) Meeting ID: 445 447 7047

7:00 P.M. CALL TO ORDER, FLAG SALUTE, ROLL CALL

AGENDA REVIEW AND APPROVAL:

PUBLIC COMMENTS: Persons wishing to address the City Council regarding items of new business are encouraged to do so at this time. When recognized by the Mayor, please come to the podium and clearly state your name. Please limit your comments to 3 minutes. If you desire a formal agenda placement, please contact the City Clerk at 360-851-4500. Thank you for attending.

APPOINTMENTS, ANNOUNCEMENTS, PROCLAMATIONS AND PRESENTATIONS:

COMMITTEE REPORTS:

DEPARTMENT REPORTS:

1) **AB26-115** – 2nd Quarter Financial Report — Mr. Mason

CONSENT AGENDA:

2) **Claim Checks –** September 15, 2026, Check No. 57722 through Check No. 57768 in the amount of $183,434.77

3) **Minutes** –Council Meeting of September 1, 2026

4) **AB26-116 –** Resolution Regarding Utility Truck Purchase — Mr. Hanis

5) **AB26-117 –** Resolution Regarding Interpreter Grant — Ms. Parks

6) **AB26-118 –** Resolution Authorizing Professional Services Agreement with Parametrix, Inc. to Update the City's Stormwater Management Action Plan — Mr. Hanis

PUBLIC HEARINGS: - None

UNFINISHED BUSINESS:

NEW BUSINESS:

7) **Hometown Heroes Banner Program** — Councilor Nielsen & Mr. Boje

8) **Purple Heart City** — Councilor Nielsen & Mr. Boje

9) **AB26-119** – Resolution Adopting the City's Strategic Plan — Mr. O'Neill

MAYOR'S REPORT:

COUNCIL REPORTS:

- Councilmember Young
- Councilmember Dal Santo
- Councilmember Reed
- Councilmember Deady
- Councilmember Nielsen
- Councilmember Peterson
- Councilmember Sorci

CITY ADMINISTRATOR REPORT:

ATTORNEY REPORT:

PUBLIC COMMENTS:

EXECUTIVE SESSION:

ADJOURNMENT:

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Black Diamond 2026, 2nd Quarter Financial Report	**Agenda Date: September 15, 2026**	**AB26-115**	
		Mayor - John Adler	
		City Administrator - Kevin O'Neill	
		City Attorney - David Linehan	
		City Clerk – Brenda L. Martinez	
		Com Dev – Hal Hart	
		Finance – Xavier Mason	X
		MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): N/A		Police – Chief Kiblinger	
Fund Source: N/A		Public Works – Scott Hanis	
Timeline: 2026		Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Black Diamond's 2026, 2nd Quarter Financial Report, 2nd Quarter Financial Report Presentation

SUMMARY STATEMENT:

The Black Diamond 2026, 2nd Quarter Financial Report summarizes the 2026 budgeted revenues and expenditures compared to the actual revenues and expenditures received through June 30th, 2026. This report includes statements for the General Fund, Street Fund, Water Fund, Sewer Fund, Stormwater Fund, a city-wide balance sheet, and Black Diamond's investment portfolio.

General Fund Summary

The General Fund earned $6,173,826 in 2026, equaling approximately 48.8% of projected revenues for the year. The pace of revenues earned was considerably strong throughout the year; especially considering that some revenues have seasonal variations in the pace of their earnings throughout the year. The General Fund operating expenditures are $6,072,639 as of June 30, 2026, equaling approximately 46.5% of budgeted expenditures for the entire year.

Street Fund Summary

The Street Fund earned $97,896 in total revenue for 2026, or 18% of projected revenues of what was budgeted for the year. The total expenditures for the Street Fund for 2026 was $434,216 or 47% of projected expenditures for the year. This fund is unique in that its revenues are heavily supplemented by internal transfers, so the difference between operating revenues and operating expenditures are usual for this fund, more information could be found on pages 10 and 14 of the attached Black Diamond 2026, 2nd Quarter Financial Report.

Water Fund Summary

The Water Fund earned $1,106,169 in 2026, or 38% of projected revenues for the year. Like the

General Fund, some revenues have some seasonal variation in the pace at which they are earned. This year's revenues were very strong. Total expenditures for 2026 were $852,211 or 32% of the budgeted expenditures for the year.

Sewer Fund Summary

The Sewer Fund revenue earned $1,497,678 or 51.4% of the projected revenues for 2026. The Sewer Fund's expenditures totaled $1,419,529 or 49% of the budgeted expenditures for the year. After all expenditures are considered, the Sewer Fund ended the 2nd quarter of 2026 with a surplus of $78,149.

Stormwater Fund Summary

The Stormwater Fund earned $641,865 in 2026, or 56.5% of projected revenues. This fund is unique in that the City receives revenues earned from King County primarily within two tranches throughout the course of the year, mirroring the payment schedule of property taxes. Stormwater operating expenditures were $544,312 or 51.6% of budgeted operating expenditures for the year. After all expenses are considered, the Stormwater Fund ended the 2nd Quarter of 2026 with a surplus of $97,553.

Balance Sheet Summary

Across all funds, the City has a total balance of reserves and cash in the amount of $22,445,224 an increase of $1,199,674 since December 31, 2025, as detailed on page 18 of the Black Diamond 2026, 2nd Quarter Financial Report.

Investment Report Summary

The City continues to benefit from high interest rates with an average return of 3.69% from the LGIP and 4.15% from longer-term investments. In 2026, the City has earned $377,577 (rounded) from investments that are being utilized to support operational and capital expenditures.

Recent Additions

Debt Activity

This section has always been a component within this report; however, it was somewhat empty due to the lack of activity since 2024. During the 1st Quarter of 2026, the General Fund issued a Interfund Loan to the Public Works Department. The details of that loan and its amortization schedule are detailed in the Debt Activity section on page 26.

FISCAL NOTE (Finance Department): N/A

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION: Reviewed by the Budget, Finance, and Administration Committee on September 8th, 2026

RECOMMENDED ACTION: N/A

RECORD OF COUNCIL ACTION		
Meeting Date	***Action***	***Vote***
September 15, 2026		

City of Black Diamond

Quarterly Financial Report for the 2nd Quarter of 2026

This page is intentionally left blank.

Table of Contents

City of Black Diamond

24301 Roberts Drive ~ PO Box 599
Black Diamond, WA 98010

Phone: (360) 851-4500
Fax: (360) 851-4507

August 28th, 2026

Financial Report: 2nd Quarter 2026 Overview

The General Fund Overview

2026 Second Quarter Financial Report

This report provides a comprehensive overview of the City's financial performance through June 30, 2026. It compares budgeted figures against unaudited actual revenues and expenditures for the second quarter of fiscal year 2026. To provide historical context, 2025 data is included for year-over-year analysis. This summary encompasses the General, Street, Water, Sewer, and Stormwater Funds, as well as the City's balance sheet and investment portfolio.

General Fund Operating Revenues

General Fund operating revenues for the second quarter of 2026 totaled $5,045,803, reaching 52.7% of the annual projection. This performance aligns with budget expectations, especially when accounting for seasonal revenue fluctuations. Overall, General Fund revenue streams remain robust and consistent with fiscal targets.

The following analysis highlights key revenue drivers and explains notable variances from the 2026 adopted budget.

General Fund Revenue Analysis		
Revenue	**Percentage**	**Comparison to Budget (50%)**
Property Tax	56.4%	King County assesses and issues property taxes in February, with the City receiving the bulk of these remittances in April and November. After these peak periods, the remaining revenue is distributed throughout the fiscal year according to the County's schedule. While 2025 collections concluded in alignment with budget projections, 2026 data indicate a similar trend of stability and consistency.
Sales Tax	59%	The City has maintained strong sales tax growth for several consecutive years. Building on the positive trends of 2025, year-end revenue reached $1,549,628, exceeding the annual budget by 12.3%. This momentum has carried into the first quarter and second quarters of 2026, where revenue is currently 9% above the 50% benchmark.
Utility & Gambling Tax	58.9%	Utility taxes are receipted monthly; however, collections often reflect seasonal variances in utility usage. In 2025, combined utility and gambling taxes outperformed expectations, generating 8% more than the annual budget. This trend continued into 2026; at the close of the first quarter, these revenues are 8.9% above the 50% threshold. Given these seasonal fluctuations, it is highly probable that this revenue stream will once again exceed the annual budget, with some revenue sources slowing down in the 3rd Quarter.

General Fund Revenue Analysis (Continued)		
Revenue	**Percentage**	**Comparison to Budget (50%)**
Cable Franchise Fees	43.4%	Cable franchise fees continue a multi-year decline. In 2025, revenues totaled $73,797, reaching only 83.9% of the annual projection, a notable drop from 89.3% collected in 2024. In response to this consistent contraction, the 2026 budget was proactively "right-sized" to better align with realized earnings. Despite these downward adjustments, the 2026 second quarter revenues remain below the 50% benchmark.
Business Licenses	52.5%	Business license revenue for 2025 totaled $52,220, finishing just 3.3% below the annual projection. For 2026, this revenue stream is currently at 52.5% of its target, performing essentially on par with budgeted projections and the 50% benchmark.
Liquor Tax & Profits	46.3%	Liquor tax and profit revenues closely tracked quarterly milestones throughout 2024 and 2025, a trend that continues into 2026, reaching 46.3% at the halfway mark of the year. Although 2025 revenues finished slightly below projections, total earnings reached $100,416, representing a minor variance of just 3.4% under the budgeted amount.

General Fund Revenue Analysis (Continued)		
Revenue	**Percentage**	**Comparison to Budget (50%)**
Investments, Recycle Grants, and Miscellaneous Revenue	70.6%	The "Investments, Recycle Grants, and Miscellaneous" category comprises several distinct revenue streams. In 2025, these sources generated $413,355, or 97.4% of the budgeted amount, primarily driven by interest earned on General Fund reserves. At the end of the 2nd Quarter, the General Fund has earned $190,587 in interest, with additional grant funding expected to arrive as the year progresses.
Court Fines, Fees, and Therapeutic Court Grant	24.8%	Municipal Court revenues totaled $222,178 in 2025, finishing the year at 103.6% of the budgeted amount. Currently, 2026 revenues stand at 24.8%, which is significantly below the 50% benchmark. This variance is primarily due to the $200,000 budgeted as a placeholder for the Maple Valley contract. As the contract has not yet taken effect, the revenues for this service revenues have not been realized. This will continue to impact the "percentage earned" metric until the services for that contract is provided.
Police Department Revenue	48.6%	Building on the strong performance observed in 2024, Police Department revenues remained consistently above quarterly benchmarks throughout fiscal year 2025. By the close of the fourth quarter, total earnings reached $581,333, or 112.9% of the annual budget. At the end of the 2nd Quarter of 2026, revenues stand at 48.6% of projections.

General Fund Revenue Analysis (Continued)		
Revenue	**Percentage**	**Comparison to Budget 25%**
Land Use & Permitting Fees	40.4%	Land Use and Permitting revenue experienced a significant rebound in 2025, totaling $3,108,400. This marked a sharp reversal from 2024, when fees fell 21% below projections. By outperforming the 2025 budget by 106.1%, this stream generated a surplus of approximately $1.6 million. This substantial variance is attributed to external market factors and accelerated development activity, highlighting the inherent volatility of growth-dependent revenues. Through the first quarter of 2026, this revenue stream has reached 40.4% of budgeted projections, approximately 9.6% below the 50% benchmark.
Parks Revenue	60.4%	Park revenues remained strong through the end of 2025, totaling $75,752 and exceeding the annual budget by 1%. For 2026, Parks Department revenue is currently higher than projections at this point in the year at 60.4%. Given the anticipated surge in activity during the summer months, this revenue stream is well-positioned to exceed budgeted expectations by year-end, while slowing down activity in the third and fourth quarters, due to decreased activity in Lake Sawyer.
Cemetery Fees & Charges	342.6%	Revenue from cemetery fees remained well below projections in 2025, with only $250 generated for the year. However, in the second quarter of 2026, a several services were provided totaling $2,141, bringing year-to-date revenue to 342.6% of the annual budget. While this percentage significantly exceeds the 50% quarterly benchmark, it is important to note that the total dollar amount remains insignificant to the General Fund’s overall health.

General Fund Revenue Analysis (Continued)		
Revenue	**Percentage**	**Comparison to Budget 50%**
Developer Funding Agreement	26.9%	As this is a cost-recovery revenue stream, the realized amount remains directly contingent upon the volume of eligible expenditures incurred throughout the year. Currently, the earnings for this revenue stream is significantly, beneath the 50% benchmark.

General Fund Operating Expenditures

At the close of the second quarter, General Fund operating expenditures totaled $5,260,257, representing 47.5% of the annual budget. Consistent with previous years, several annual obligations, such as insurance premiums and software subscriptions, are paid in full during the first quarter. Under the City's cash-basis accounting system, these costs are expensed at the point of payment rather than being amortized over the fiscal year. Consequently, while the full cost of 2026 insurance was recognized in January, the operational benefits extend throughout the year. This front-loading of expenses results in an initial spending spike in January, followed by a projected reduction in monthly expenditures for the remainder of the year.

General Fund Performance Summary

Overall, the General Fund concluded 2025 in a strong position, with total operating revenues significantly exceeding operating expenditures. For the second quarter of 2026, the General Fund continues to have a strong operating position, breaking even in the second quarter and developing a surplus of $101,187. The expectation is that throughout the remainder of the year, the pace of revenues will remain similar to what they are now, and expenditures will decrease as there is only one scheduled transfer to another fund.

Operational Fund Summaries: Special Revenue and Enterprise Funds

The following sections provide a detailed analysis of the City's primary operational funds outside of the General Fund, including the Street Special Revenue Fund and the Water, Sewer, and Stormwater Enterprise Funds.

These funds are managed as self-sustaining operations, apart from the Street Fund, relying on user fees, utility charges, and dedicated transfers to maintain critical infrastructure. While most funds remain stable, the Stormwater Fund continues to require close monitoring due to ongoing structural challenges. It may need a cash injection via a General Fund loan to sustain operations and infrastructure maintenance. However, this loan will address temporary cash-flow hurdles rather than underlying structural deficits. Consequently, the primary fiscal goal for the Stormwater Fund this year is to enhance stability by reducing operating expenses and eliminating discretionary transfers out of the fund, as was done this year.

Street Fund Performance

Street Fund revenues for 2025 totaled $881,984, reaching 99.9% of the annual budget. This performance was significantly bolstered by a $200,000 budget amendment transferred from the General Fund. Building on this momentum, the Street Fund has realized 55% of projected operating revenues in the second quarter of 2026. Notably, this fund is currently operating at a deficit, this deficit will reduce once transfers from the Transportation Benefit District and REET II occur at the end of the year.

The fund maintains a diversified revenue structure, utilizing General Fund transfers, REET II resources, and Transportation Benefit District (TBD) fees. On the expenditure side, the fund demonstrates disciplined fiscal management, ending the quarter at 47% of the total appropriation. This favorable position is particularly noteworthy as several large, non-recurring annual expenses have already been recognized.

Water Fund Performance

The Water Fund concluded 2025 in a strong fiscal position, with total revenues of $2,575,409, exceeding the annual budget by 5% and yielding a $531,016 surplus. Maintaining this momentum, the fund achieved a net surplus of $253,958 in the second quarter of 2026. While operating revenues stand at 38% of the annual budget, operating expenditures remain well-managed at 40%. Due to the seasonality of water revenues, it is likely that the operational revenues, particularly irrigation, will continue to increase in the third quarter.

Sewer Fund Performance

The Sewer Fund concluded 2025 with a deficit of $90,132, which was notably favorable as it represented approximately half of the projected budgetary deficit. For 2026, the fund is positioned for further recovery, with a budgeted year-end surplus of $10,753. At the close of the first quarter, the fund broke even and now has a minor surplus of $78,149. If conditions remain the same, the Sewer Fund will end the year with a modest surplus.

Stormwater Fund Performance

The Stormwater Fund concluded 2025 with operating revenues of $837,614, or 88.2% of the annual budget. This variance primarily stems from a $139,409 culvert grant that was reallocated to the Street Fund due to a change in project scope. This shift negatively impacted on the fund's overall stability, resulting in a $81,968 deficit for the year.

Entering 2026, the fund continues to manage structural cash-flow challenges, evidenced by the first quarter ending cash and investment balance of -$23,614. This liquidity issue is inherent to the fund's revenue cycle: while operating expenditures are incurred daily, revenues are remitted by King County only twice per year, following the property tax distribution schedule. Consequently, the fund must bridge daily operational costs until these semi-annual cash infusions occur. While the fund is showing improvement over the prior year, achieving long-term fiscal stability remains a primary objective and unlikely due to rising costs and stagnant revenues. Fortunately, this fund did end with a surplus of $97, 553 for the first half of the year. The expectation is that this surplus will dwindle for the duration of the year, then receive a boost with the second receipt in November and then decline again and potentially reaching a deficit before the next cash infusion.

Summary of Cash and Investment Balances - 2020 through June 30, 2026

The Cash and Investment Balance Report serves as a modified balance sheet tailored to the City's cash-basis accounting. As of June 30, 2026, the City maintained a robust total cash and investment balance of $22,445,224.

Since the close of fiscal year 2025, the City's total cash position has increased by $1,199,674. This growth occurred across several funds, including the General Fund, Fire Impact Fees, Transportation Benefit District, REET I, and the Water Operating Fund. Conversely, the Water Reserve and Capital Fund saw a significant decrease in valuation. Overall, the City has strengthened its cash position through strong revenues and disciplined spending.

Fund Balance Classifications Summary

To ensure the City's financial reporting aligns with the Washington State Auditor's Office (SAO) BARS Manual and GASB Statement No. 54, the following definitions categorize cash and investment balances based on the "hierarchy of constraint." These classifications provide the Council and the public with a transparent view of the City's $21.24 million (2025) total treasury, distinguishing between legally restricted assets and funds available for discretionary use. The specific allocations for each category are detailed in the table below, with further granular data available in the dedicated Fund Balance Classifications section of the Black Diamond Investment Report.

Ending Cash and Investment Balances according to Classification (as of December 31, 2025)	
	Total for All Funds
Non-spendable	$0
Restricted	$4,844,139
Committed	$945,000
Assigned	$6,311,221
Unassigned	$9,145,190
Total Ending Cash and Investments	**$21,245,550**

Black Diamond Investment Portfolio Summary

The City's investment portfolio yielded strong results in 2025, generating $801,237.53 in total interest income. While initial market forecasts suggested a reduction in interest rates, persistent macroeconomic factors, including stubborn inflation, have shifted expectations. It is now anticipated that rates will remain near current levels throughout the remainder of 2026. In the first half of 2026, the City realized $377,576 in interest earnings.

As of June 30, the portfolio remains strategically balanced: 54% is maintained in the highly liquid Local Government Investment Pool (LGIP), and 32% is allocated to longer-term investments. This "laddered" approach ensures sufficient liquidity for daily operational needs while capturing higher yields on stable reserves. Overall, the City maintains a stable and positive financial position.

If you have any questions about this report, please contact Xavier Mason, Finance Director, at xmason@blackdiamondwa.gov.

Xavier Mason

Xavier Mason
Finance Director
City of Black Diamond

2026 General Fund 2nd Quarter Finance Report

#	Revenues	2025 Actual	2026 Budget	2nd Quarter 2026 Actuals	Variance from Budget	% Collected
2	Property Taxes	3,201,536	3,321,799	1,873,239	(1,448,560)	56.4%
3	Sales Taxes	1,549,628	1,551,500	915,447	(636,053)	59.0%
4	Utility & Gambling Taxes	1,326,893	1,325,586	781,176	(544,410)	58.9%
5	Cable Franchise Fees	73,797	80,000	34,729	(45,271)	43.4%
6	Business Licenses	52,220	54,000	28,325	(25,675)	52.5%
7	Land Use and Permitting Fees	3,108,400	1,672,800	675,500	(997,300)	40.4%
8	Liquor Tax & Profits	100,416	110,000	50,932	(59,068)	46.3%
9	Investments, Recycle Grants, and Miscellaneous Revenues	413,355	297,500	210,142	(87,358)	70.6%
10	Parks Revenue	75,752	71,000	42,900	(28,100)	60.4%
11	Cemetery Fees & Charges	250	625	2,141	1,516	342.6%
12	Police Department Revenue (Grants, Traffic School, etc.)	581,333	671,031	325,831	(345,200)	48.6%
13	Court Fines, Fees and Therapeutic Court Grant	222,178	425,150	105,440	(319,710)	24.8%
14	**Subtotal Operating Revenue**	**10,705,758**	**9,580,991**	**5,045,803**	**(4,535,188)**	**52.7%**
16	Funding Agreement-MDRT	1,161,205	1,218,985	588,289	(630,696)	48.3%
17	**Total Operating Revenue**	**11,866,963**	**10,799,976**	**5,634,092**	**(5,165,884)**	**52.2%**
19	AWC Insurance and Flex Deposit	6,750	-	5,725	5,725	N/A
20	Developer Reimb-MDRT Consultants	1,201,979	1,855,000	534,010	(1,320,990)	28.8%
21	**Total Revenue**	**13,075,692**	**12,654,976**	**6,173,826**	**(6,481,150)**	**48.8%**
22	Beginning Cash & Investment Balance	7,659,424	8,686,137	9,171,113	484,976	105.6%
23	**Total General Fund Sources**	**20,735,116**	**21,341,113**	**15,344,940**	**(5,996,173)**	**71.9%**
24	***Expenditures***	**2025 Actual**	**2026 Budget**	**2nd Quarter 2026 Actuals**	**Variance from Budget**	**% Expended**
25	Legislative-Council	17,546	22,521	10,935	11,586	48.6%
26	Mayoral Department	14,979	16,272	7,491	8,782	46.0%
27	City Administrator	109,689	272,282	100,734	171,548	37.0%
28	General Government Services (Clerk/Fin/IT/HR/Cnt Svc)	755,964	827,930	544,344	283,586	65.7%
29	Legal Services - Includes Pros. Atty & Public Def.	450,689	293,000	166,072	126,928	56.7%
30	Municipal Court	575,056	835,577	306,809	528,768	36.7%
31	Police Department	3,478,663	3,985,015	1,812,215	2,172,800	45.5%
32	Fire Department	1,301,326	1,396,586	709,624	686,962	50.8%
33	Recycle/Animal Cont/Air Qual/Mntl Hlth	77,799	158,900	14,543	144,357	9.2%
34	Master Develpoment Review Team	1,059,775	1,218,985	574,990	643,995	47.2%
35	Community Development	1,466,635	1,609,327	691,488	917,840	43.0%
36	Parks Department	302,516	364,077	262,624	101,454	72.1%
37	Cemetery	62,803	69,675	58,390	11,285	83.8%
38	**Total Operating Expenditures**	**9,673,441**	**11,070,148**	**5,260,257**	**5,809,891**	**47.5%**
39	Transfer to Street Fund	350,000	-	-	-	N/A
40	Transfer to Future Campus	350,000	147,393	-	(147,393)	0.0%
41	Interfund Loan	-	-	327,641	327,641	0.0%
42	AWC Insurance and Flex Deposit	6,493	-	1,810	1,810	N/A
43	Developer MDRT-Consultants	1,184,364	1,855,000	482,931	(1,372,069)	26.0%
44	**Total Expenditures**	**11,564,298**	**13,072,541**	**6,072,639**	**(6,999,902)**	**46.5%**
45	**Total Surplus/(Deficit)**	**1,511,395**	**(417,565)**	**101,187**	**518,752**	**124.2%**
46	Ending Cash and Investment at 35% of Budgeted Expenditures	3,385,704	3,874,552	1,841,090	2,033,462	47.5%
47	Ending Cash and Investment Developer Funds	63,000	63,000	63,000	-	100.0%
48	Ending Restricted Police Buy Funds	25,923	25,923	25,923	(0.36)	100.0%
49	Ending Unreserved Funds for Future Growth Related costs	4,184,797	3,832,015	6,580,137	2,748,122	171.7%
50	**Total Ending Cash and Investments**	**7,659,424**	**7,795,490**	**8,510,150**	**714,660**	**109.2%**
51	**Total General Fund Uses**	**20,735,116**	**21,341,113**	**15,344,940**	**5,996,173**	**71.9%**

2026 Street Fund 2nd Quarter Finance Report

1	***REVENUES***	**2025 Actual**	**2026 Budget**	**2nd Quarter 2026 Actual**	**Variance from Budget**	**% Collected**
2	Street Gas Tax	122,391	120,000	67,210	(52,790)	56.0%
3	Right of Way Permits	13,185	14,000	6,720	(7,281)	48.0%
4	Other Revenue	37,666	32,100	17,262	14,838	53.8%
5	**Total Operating Revenue**	**173,242**	**166,100**	**91,192**	**(45,232)**	**55%**
6	Interest	10,528	8,000	6,501	1,499	81.3%
7	Transfer in REET II	100,000	100,000	-	100,000	0.0%
8	Transfer in from General Fund	350,000	-	-	-	N/A
9	Transfer in TBD	248,214	280,000	-	280,000	0.0%
10	Property Rent	-	-	203	203	N/A
11	**Total Other Revenue**	**708,743**	**388,000**	**6,704**	**381,499**	**2%**
12	**Total Revenue**	**881,984**	**554,100**	**97,896**	**336,267**	**18%**
13	Beginning Cash and Investments	405,754	384,350	546,173	161,823	142.1%
14	**Total Street Fund Sources**	**1,287,738**	**938,450**	**644,069**	**498,090**	**68.6%**
15	***EXPENDITURES***	**2025 Actual**	**2026 Budget**	**2nd Quarter 2026 Actual**	**Variance from Budget**	**% Expended**
16	Total Salaries and Benefits	428,394	430,274	224,544	205,730	52.2%
17	Office and Operating Supplies	18,333	29,600	13,300	16,300	44.9%
18	Professional Services	204,639	231,307	85,471	145,836	37.0%
19	**Total Operating Expenses**	**651,366**	**691,181**	**323,315**	**367,867**	**47%**
20	Building and Property Lease	18,511	15,813	6,534	9,279	41.3%
21	Copier Lease	1,098	1,043	368	674	35.3%
22	Water Cooler Lease	42	-	149	(149)	N/A
23	Land Acquisition	-	-	103,850	(103,850)	N/A
24	Transfer to Equipment Replacement	10,000	-	-	-	0.0%
25	**Total Expenditures**	**681,017**	**708,037**	**434,216**	**273,821**	**61%**
26	**Total Surplus/(Deficit)**	**200,967**	**(153,937)**	**(336,320)**	**(182,383)**	**-218%**
27	3 Months Operating Cash Balance	162,841	172,795	161,657	(11,138)	93.6%
28	Unreserved Cash and Investments	443,880	57,617	48,196	(9,422)	-19.5%
29	**Total Ending Cash and Inv**	**606,721**	**230,413**	**209,853**	**(20,560)**	**91%**
30	**Total Street Fund Uses**	**1,287,738**	**938,450**	**644,069**	**(294,381)**	**68.6%**

2026 Water Fund 2nd Quarter Finance Report

1	***REVENUES***	**2025 Actual**	**2026 Budget**	**2nd Quarter 2026 Actuals**	**Variance from Budget**	**% Collected**
2	Water Charges	1,730,224	2,168,887	798,951	(1,369,936)	36.8%
3	Irrigation Sales	314,562	240,000	37,121	(202,879)	15.5%
4	Hydrant Sales	21,125	62,000	9,774	(52,226)	15.8%
5	Meter Purchases, Setting Fees, Inspections, and Misc.	450,591	360,480	102,333	(258,147)	28.4%
6	**Total Operating Revenue**	**2,516,502**	**2,831,367**	**948,179**	**(1,883,187)**	**33%**
7	Interest	41,589	19,000	26,053	7,053	137.1%
	Miscelllaneous Non-Operating Revenue	17,318	10,000	16,385	6,385	163.9%
8	Permitting-Deposits for consultants	-	40,000	-	(40,000)	0.0%
	General Fund Loan	-	-	115,552	115,552	N/A
9	**Total Other Revenue**	**58,907**	**69,000**	**157,990**	**88,990**	**229%**
10	**Total Revenue**	**2,575,409**	**2,900,367**	**1,106,169**	**(1,794,198)**	**38%**
11	Beg Cash and Investment Unreserved	951,250	1,592,753	1,482,266	**(110,487)**	93.1%
12	**Total Water Fund Sources**	**3,526,659**	**4,493,120**	**2,588,435**	**(1,904,685)**	**58%**
13	***EXPENDITURES***	**2025 Actual**	**2026 Budget**	**2nd Quarter 2026 Actuals**	**Variance from Budget**	**% Expended**
14	Total Salaries and Benefits	560,146	636,472	287,891	348,581	45.2%
15	Total Supplies	510,443	347,280	146,024	201,256	42.0%
16	Total Services and Charges	548,402	820,249	293,677	526,571	35.8%
18	**Total Operating Expenditures**	**1,618,991**	**1,804,001**	**727,593**	**1,076,408**	**40%**
17	Building & Equipment Leases	20,402	16,856	7,915	8,941	47.0%
19	Debt Service - Water P & I	-	-	-	-	N/A
20	Consultant and Permitting Expenses	-	40,000	-	40,000	0.0%
21	Hydrant Meter Deposit Refunds	-	-	1,152	(1,152)	0.0%
22	Transfers Out - Equipment/Capital Res.	405,000	835,000	-	835,000	0.0%
23	Land Acquisition	-	-	115,552		
24	**Subtotal Other Expenditures**	**425,402**	**891,856**	**124,619**	**767,237**	**13.97%**
25	**Total Expenditures**	**2,044,393**	**2,695,857**	**852,211**	**1,843,646**	**32%**
26	**Total Surplus/(Deficit)**	**531,016**	**204,510**	**253,958**	**49,448**	**124%**
27	3 Month Operating Cash Balance	404,748	451,000	363,796	(87,204)	80.7%
28	Unreserved Cash and Investments	1,077,518	1,346,263	1,212,737	(133,526)	90.1%
29	**Total Ending Cash and Investments**	**1,482,266**	**1,797,263**	**1,576,533**	**(220,730)**	**88%**
30	**Total Water Fund Uses**	**3,526,659**	**4,493,120**	**2,428,744**	**(2,064,376)**	**54%**

2026 Sewer Fund 2nd Quarter Finance Report

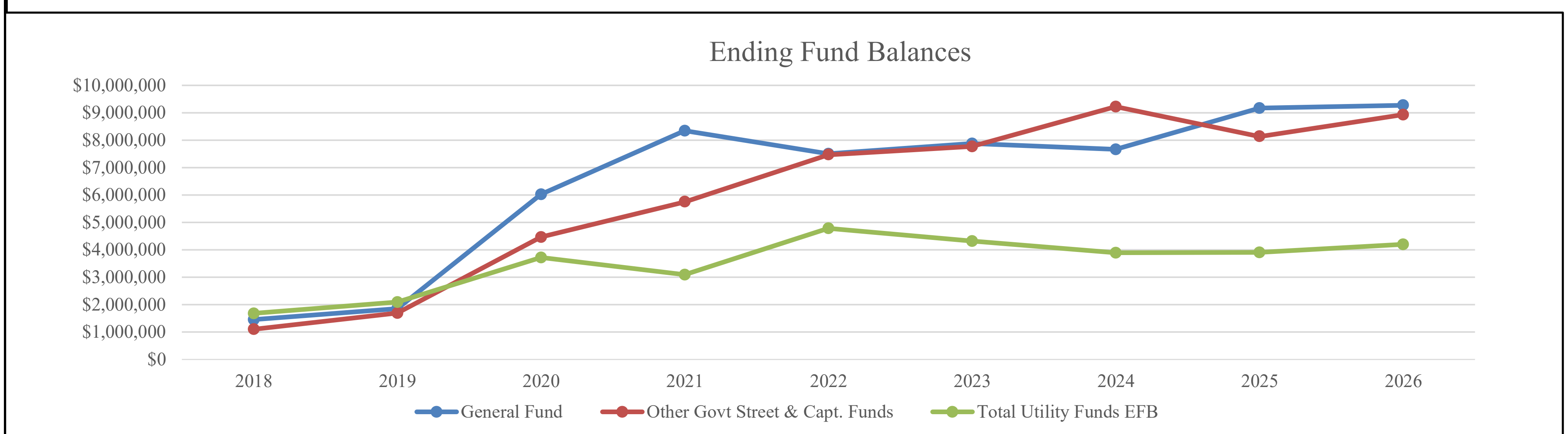
1	***REVENUE***	**2025 Actual**	**2026 Budget**	**2026 2nd Quarter Actual**	**Variance from Budget**	**% Collected**
2	Sewer User Charges-K.C Metro	1,766,642	1,962,000	947,403	(1,014,597)	48.3%
3	Sewer User Charges-City	792,573	872,000	409,709	(462,291)	47.0%
4	Permits & Miscellaneous Revenue	79,531	62,238	20,388	(41,850)	32.8%
5	**Total Operating Revenue**	**2,638,746**	**2,896,238**	**1,377,500**	**(1,518,738)**	**47.6%**
6	Interest	20,998	16,000	8,064	(7,937)	50.4%
7	Property Rent	-	-	219	219	N/A
8	General Fund Loan	-	-	111,895	111,895	N/A
9	**Total Revenue**	**2,659,744**	**2,912,238**	**1,497,678**	**(1,414,560)**	**51.4%**
10	Beginning Cash and Investments	602,074	531,730	511,943	(19,787)	96.3%
11	**Total Sewer Fund Sources**	**3,261,818**	**3,443,968**	**2,009,620**	**(1,434,347)**	**58.4%**
12	***EXPENDITURES***	**2025 Actual**	**2026 Budget**	**2026 2nd Quarter Actual**	**Variance from Budget**	**% Collected**
13	Total Salaries and Benefits	499,590	534,521	260,324	274,197	48.7%
14	Total Supplies	27,356	17,100	13,240	3,860	77.4%
15	Total Services and Charges	334,891	371,008	167,399	203,609	45.1%
16	King County Metro Sewer Charges	1,698,221	1,962,000	859,633	1,102,367	43.8%
17	**Total Operating Expenditures**	**2,560,057**	**2,884,629**	**1,300,596**	**1,584,033**	**45%**
18	Leases	19,818	16,856	7,038	9,818	41.8%
19	Transfers	170,000	-	-	-	N/A
20	PW Land Acquisition	-	-	111,895	(111,895)	N/A
18	**Subtotal Other Expenditures**	**189,818**	**16,856**	**118,933**	**(102,077)**	**706%**
19	**Grand Total Expenditures**	**2,749,875**	**2,901,485**	**1,419,529**	**1,481,956**	**49%**
20	**Total Surplus/(Deficit)**	**(90,132)**	**10,753**	**78,149**	**67,396**	**727%**
21	3 Months Operating Cash Balance	640,014	721,157	650,298	(70,859)	90.2%
22	Unreserved Cash and Investments	(128,072)	(178,675)	(60,206)	118,469	33.7%
23	**Total Ending Cash & Investments**	**511,943**	**542,483**	**590,092**	**47,609**	**108.8%**
24	**Total Sewer Fund Uses**	**3,261,818**	**3,443,968**	**2,009,620**	**(1,434,347)**	**58.4%**

2026 Stormwater Fund 2nd Quarter Finance Report

1	***REVENUE***	**2025 Actual**	**2026 Budget**	**2nd Quarter 2026 Actuals**	**Variance from Budget**	**% Collected**
2	Stormwater Charges	792,161	978,043	439,749	538,294	45.0%
3	Stormwater Inspection and Review Fees	45,452	33,931	16,180	17,751	47.7%
4	**Total Operating Revenue**	**837,614**	**1,011,974**	**455,929**	**556,045**	**45.1%**
5	Other Miscellaneous Revenue	252	-	726	726	N/A
	Interest Earned	4,965	3,750	501	3,249	13.4%
6	Grants	83,164	120,000	84,515	35,485	70.4%
7	General Fund Loan	-	-	100,194	100,194	N/A
8	**Total Other Revenue**	**88,380**	**123,750**	**185,935**	**62,185**	**150.3%**
9	**Total Revenue**	**925,994**	**1,135,724**	**641,865**	**493,859**	**56.5%**
10	Beginning Cash and Investments	168,936	265,933	86,950	178,983	32.7%
11	**Total Stormwater Fund Sources**	**1,094,930**	**1,401,657**	**728,814**	**672,842**	**52.0%**
12	***EXPENDITURES***	**2025 Actual**	**2026 Budget**	**2nd Quarter 2026 Actuals**	**Variance from Budget**	**% Expended**
13	Total Salaries and Benefits	525,386	567,447	271,932	295,515	47.9%
14	Office and Operating Supplies	21,177	11,280	8,667	2,613	76.8%
15	Total Services and Charges	348,624	397,485	153,469	244,016	38.6%
16	**Total Operating Expenditures**	**895,187**	**976,212**	**434,068**	**542,144**	**44.5%**
17	Leases	19,630	16,856	10,050	6,806	59.6%
18	Land Purchase	-	-	100,194	(100,194)	N/A
22	Transfers	93,164	62,000	-	(62,000)	0.0%
23	**Total Other Expenditures**	**112,794**	**78,856**	**110,244**	**62,000**	**139.8%**
24	**Total Expenditures**	**1,007,981**	**1,055,068**	**544,312**	**510,757**	**51.6%**
25	**Total Surplus/(Deficit)**	**(81,987)**	**80,656**	**97,553**	**16,897**	**120.9%**
26	3-Month Operating Cash Balance	223,797	244,053	217,034	27,019	88.9%
27	Unreserved Cash and Investments	(136,847)	102,536	(32,531)	(135,067)	N/A
28	**Total Ending Cash and Investments**	**86,950**	**346,589**	**184,503**	**(108,048)**	**53.2%**
29	**Total Stormwater Fund Uses**	**1,094,930**	**1,401,657**	**728,814**	**672,842**	**52.0%**

Cash & Investment Balance Report 2nd Quarter 2026

GOVERNMENTAL FUNDS	2020	2021	2022	2023	2024	2025	2026
General Fund Ending Fund Balance	**6,022,285**	**8,346,574**	**7,506,059**	**7,880,874**	**7,659,424**	**9,171,113**	**9,272,300**
Capital and Special Revenue Funds							
Street Fund	188,158	292,205	325,924	450,146	405,754	546,173	209,991
Fire Impact Fees	1,135,891	1,623,301	1,239,869	1,142,030	1,302,154	1,415,578	1,644,793
TBD-Car Tabs	33,607	53,427	78,497	60,907	0	0	134,414
Traffic Mitigation/Impact Fees	170,342	216,654	288,438	118,986	77,287	192,238	181,891
Transferrable Development Rights	0	0	0	0	945,000	945,000	945,000
ARPA Recovery Funds	0	568,288	151,212	0	0	0	0
School Impact Fee Fund	0	0	0	0	0	0	0
REET I & Gen Govt Cap Proj	1,856,948	1,606,887	4,246,747	4,586,993	4,858,663	3,440,026	3,766,976
REET II, PW-Streets, and Retainage	915,195	1,275,958	1,034,878	1,334,676	1,525,454	1,402,455	1,845,100
Police Equipment Replacement	168,868	115,771	103,780	76,793	109,237	196,151	201,703
Other Government, Street & Capt.	**4,469,009**	**5,752,491**	**7,469,345**	**7,770,531**	**9,223,550**	**8,137,620**	**8,929,868**
Total Government Ending C&I	**10,491,294**	**14,099,065**	**14,975,404**	**15,651,405**	**16,882,974**	**17,308,733**	**18,202,168**
UTILITY FUNDS							
Water Operating	660,141	626,793	704,394	1,010,250	951,250	1,482,266	1,736,224
Water/WSFFA	1,240,281	498,658	257,340	212,868	178,152	79,977	178,079
Water Reserve & Capital	602,226	521,335	2,251,540	1,169,849	1,202,184	989,247	760,351
Sewer Operating	419,155	494,625	627,875	678,789	602,074	511,943	590,092
Sewer Reserve & Capital	272,463	325,312	372,446	391,799	367,819	408,394	401,262
Stormwater Operating	344,919	428,667	414,572	488,320	168,936	86,950	184,503
Stormwater Reserves & Capital	39,730	12,878	82,913	231,314	300,857	265,972	270,555
PW Equipment Replacement	136,577	183,239	72,304	133,340	119,393	81,895	79,888
Total Util Funds Ending C&I	**3,715,492**	**3,091,507**	**4,783,383**	**4,316,529**	**3,890,665**	**3,906,643**	**4,200,954**
Trust Funds-due to others*	**4,322**	**8,215**	**2,475**	**16,132**	**8,003**	**30,174**	**42,102**
Total Ending-Cash & Inv.**	**14,211,108**	**17,198,787**	**19,761,262**	**19,984,067**	**20,781,642**	**21,245,550**	**22,445,224**



City Wide -Balance Sheet as of June 30, 2026

	2020	2021	2022	2023	2024	2025	2026
Cash & Investments	**14,211,108**	**17,198,787**	**19,761,262**	**19,984,067**	**20,781,642**	**21,245,550**	**22,445,224**
Accounts Receivable (2019 excluded Permit-Tr	776,719	276,103	269,123	301,237	301,237	160,655	64,790
Fixed Assets & Depreciation (cash cities do not	$0	$0	$0	$0	$0	$0	$0
Insured Assets (excl Str & Uti land & infra)							
Vehicles	916,827	1,973,498	2,001,289	2,051,793	2,074,507	2,388,174	2,666,546
Off Road- Mowers, Boats & trailers	396,755	416,093	574,694	881,889	1,030,483	666,602	666,602
Buildings	12,526,300	12,608,615	12,608,615	12,608,615	12,608,615	24,890,487	24,890,487
Total Assets	**$28,827,709**	**$32,473,096**	**$35,214,983**	**$35,827,601**	**$36,796,484**	**$49,351,468**	**$50,733,650**
Outstanding Accounts Payable (bills paid when due)							
Debt							
Water Public Works Trust Fund Loan-short	($306,739)	($306,739)	($306,739)	($306,739)	$0	$0	$0
Water Public Works Trust Fund Loan-long tern	$1,204,452	$1,511,191	$1,817,930	$2,124,669	($284,235)	$0	$0
Total Liabilities	$897,713	$1,204,452	$1,511,191	$1,817,930	($284,235)	$0	$0
Black Diamond Fund Position (equity or	**$ 29,725,422**	**$ 33,677,548**	**$ 36,726,174**	**$ 37,645,531**	**$ 36,512,249**	**$ 49,351,468**	**$ 50,733,650**

City of Black Diamond Investment Report

2nd Quarter of 2026

Black Diamond Investment Report: 2nd Quarter of 2026

This quarterly investment report details the City's cash position and investment activity for the quarter just ended. Each investment follows the City's investment policy, state statutes, and the Black Diamond Municipal Code. The City's investment policy was approved by Mayor Benson and then reviewed by City Council on February 1st, 2024. Subsequently, in April 2026 the Washington Public Treasurers' Association awarded the City of Black Diamond the Certification of Excellence Investment Policy award.

Total Cash and Investments at the end of the second quarter of 2026, the City had a total of $23,262,942: $3,222,942 in depository banks, $12,539,320 in the State LGIP, and $7,500,000 (par value) invested in long-term securities (this amount varies from the City's financial statements due primarily to outstanding checks and the usage of Par value/Face Value rather than market value for the long-termed investments).

The City's Investment Portfolio

The City's investment activities are governed by State regulations and the City of Black Diamond's Investment Policy.

Calls or Maturities: During the last quarter, a security from Federal Farm bank matured on June 23, 2026.

Purchases: The following are the City's current list of investments:

Issue	Face Value	Issuer	Date of Maturity	Yield to Maturity
001	$1,000,000	Federal Farm Credit Bank	02/13/2029	4.16%
002	$1,000,000	Federal Home Loan Bank	06/09/2028	4.14%
003	$1,000,000	U.S. Treasury	01/31/2028	4.20%
004	$1,000,000	U.S Treasury	06/30/2027	4.23%
005	$1,000,000	Federal Farm Credit Bank	03/21/2029	4.165%
006	$500,000	U.S. Treasury	01/15/2027	4.23%
007	$1,000,000	Federal Home Loan Mortgage Corporation	12/11/2030	4.01%
008	$1,000,000	U.S. Treasury	05/31/2031	4.10%

Portfolio and Benchmark Yield and Maturity (as of June 30th, 2026):

	06-2026	03-2026	12-2025	09-2025	12-2025
Avg. weighted yield of City investments, excluding LGIP:	4.15%	4.28%	4.28%	4.28%	4.24%
LGIP State Pool 30-day yield Gross Earnings:	3.69%	4.4052%	4.38%	4.29%	3.88%
Weighted average maturity of City investments, excluding LGIP:	2.47 Years	2.73 Years	2.48 Years	2.235 Years	2.35 Years
Weighted average maturity of LGIP State Pool 30-day yield:	34 Days	15 Days	27 Days	39 Days	43 Days

When securities are chosen for purchase, there are several factors taken into consideration before a decision is reached. Some of those factors include cash flows from City operations, debt obligations, liquid and maturing securities.

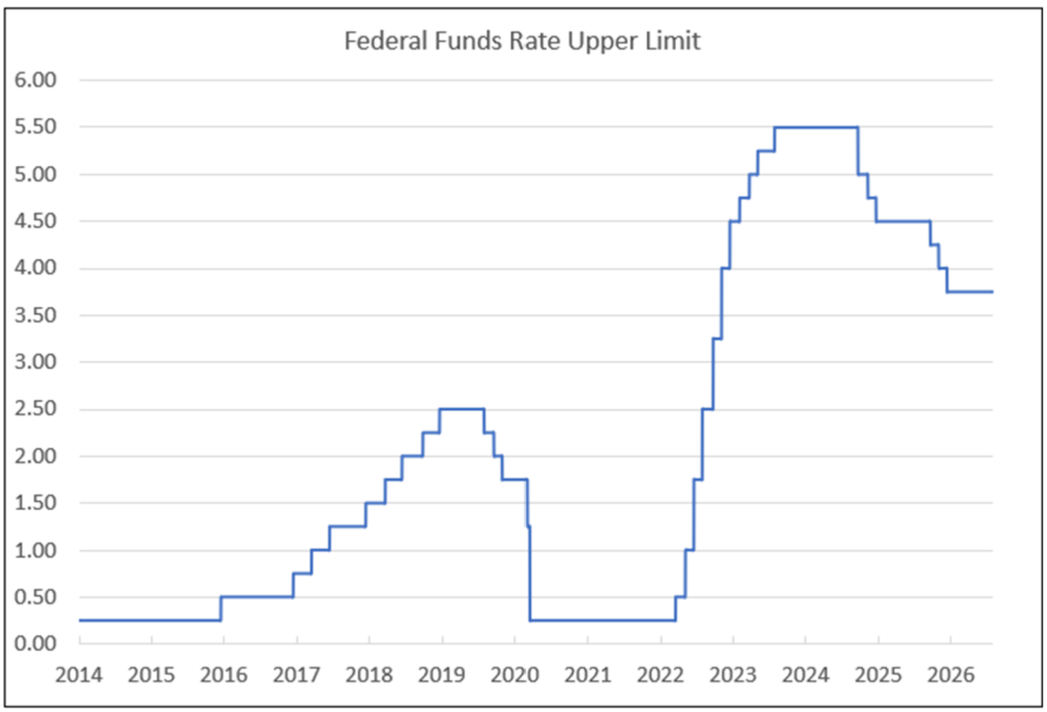
The City's Investment Portfolio consists of three general tiers which coincide with the primary considerations of prudent investing:

1. The safety portion of the Portfolio consists of funds invested in the Local Government Investment Pool (LGIP, or State Pool) managed by the Washington State Treasurer. Funds from this investment pool can be deposited or withdrawn generally within 48 hours. The liquidity that this investment vehicle provides has significant cash flow advantages for the City's operations. This allows us to adjust to unanticipated fluctuations in revenues and expenditures.
2. The liquidity portion of the Portfolio consist of demand deposit (checking) accounts at banks, Columbia Bank and U.S. Bank which are qualified public depositaries, that are protected above the FDIC-insured balances through the actions of the Washington State Public Deposit Protection Commission (PDPC).
3. The long-term security segment of the portfolio consists of an array of Agencies, Treasuries,

and/or authorized investments with staggered maturities of up to five years. Based on an analysis of historical cash reserves and budgetary planning, this segment will not be subject to seasonal spending and will continue to be safely invested in the long term.

Economic Outlook

The federal funds rate is the interest rate for overnight loans set by the Federal Open Market Committee (FOMC). Rates offered by Local Government Investment Pools (i.e., LGIP) and money market funds correlate closely with this rate, primarily because the average maturity for LGIP investments is typically short, often around 15 days. However, as of June 30, 2026, the average maturity reduced to 34 days. This change reflects the State Treasurer's Office's diligent strategy of increasing the average length of their short-term investments to maximize returns. The graph below illustrates the upper bound limit of the federal funds rate over the last 12 years.



Source: https://fred.stlouisfed.org/series/DFEDTARU

As illustrated in the graph, the current federal funds rate remains high compared to recent historical norms. This elevated level reflects the Federal Reserve's ongoing dual effort to curb inflation and address emerging weaknesses in the labor market. Historically, the Fed reduces the federal funds rate as inflation cools, a trend that began in late 2025.

The Federal Open Market Committee (FOMC) typically meets eight times per year to determine interest rate levels. As shown in the table below, the Committee implemented four consecutive 0.25% cuts during the second half of 2025 (specifically at the July, September, October, and December meetings). These actions lowered the target range from 4.0%–4.25% to the current 3.5%–3.75%. Since December 2025, the rate has remained unchanged as the Fed evaluates shifting global and domestic market activity.

Calendar				
Announcement Date	Time	Current Rate	For	Against
6/18/2025*	11:00 AM PST	4.25-4.50%	12	0
7/30/2025	11:00 AM PST	4.25-4.50%	9	2
9/17/2025*	11:00 AM PST	4.00-4.25%	11	1
10/29/2025	11:00 AM PST	3.75-4.00%	10	2
12/10/2025*	11:00 AM PST	3.50-3.75%	9	3
1/28/2026	11:00 AM PST	3.50-3.75%	10	2
3/18/2026*	11:00 AM PST	3.50-3.75%	11	1
4/29/2026	11:00 AM PST	3.50-3.75%	8	4
6/17/2026*	11:00 AM PST	3.50-3.75%	12	0
7/29/2026	11:00 AM PST			
9/16/2026*	11:00 AM PST			
10/28/2026	11:00 AM PST			
12/9/2026*	11:00 AM PST			

*Meeting includes Summary of Economic Projections release

Source: https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm

The nearly unanimous consensus among FOMC members regarding the U.S. economic outlook underscores a unified approach to the Fed's dual mandate of price stability and maximum employment. Current projections reversed course and now suggest that rather than rate cuts, rates will likely remain the same for the duration of 2026. As illustrated in the Target Rate Table below, the Committee anticipates further easing toward a long-run terminal rate of 3.375% by 2028.

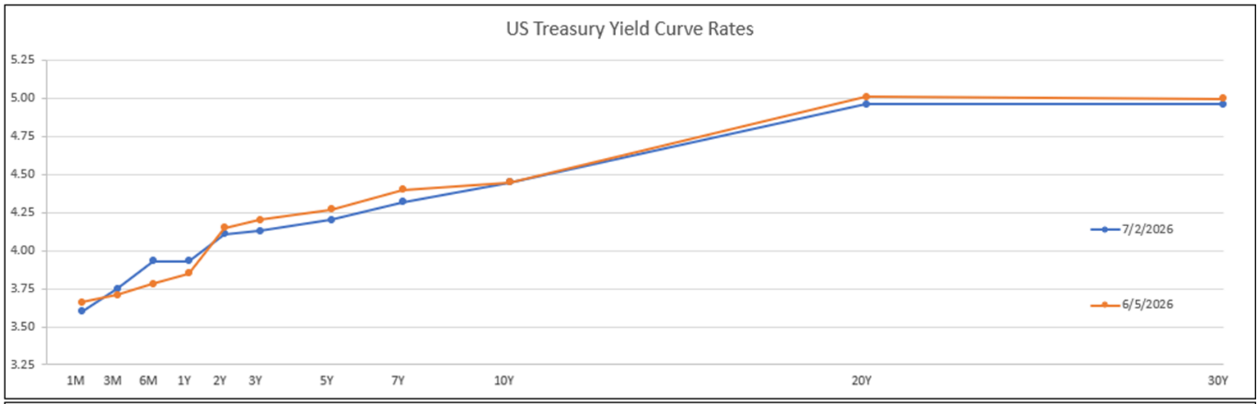
Target Rate	2026	2027	2028	Long Run
4.500				
4.375	1	1		
4.250				
4.125	5	2		
4.000				
3.875	3	5	3	1
3.750				1
3.625	8	2	5	1
3.500				1
3.375	1	3	2	2
3.250				1
3.125		4	6	2
3.000				7
2.875		1	1	2
2.750				

Source: https://www.federalreserve.gov/monetarpolicy/fomcprojtabl20251210.htm

Current Rates.

As of June 30, 2026, the yield curve is no longer inverted, as it has been for over three years, it is now, for the most part, back to the “normal” yield curve with a gentle slope going up and to the right where the further out the year, the higher interest rates become. The normalization of the yield curve is driven by a combination of short-term rate cuts by the Federal Reserve last year and the recent rise in longer-term interest rates due to a higher level of uncertainty in the markets. The shape of the yield curve could strengthen its “normal” trajectory further if interest rates cool and the bond market begins to anticipate further near-term cuts to the federal policy rate, though the Federal Reserve’s specific timeline remains uncertain.

Despite these trends, recent geopolitical 'black swan' events introduce significant uncertainty. These factors could keep rates elevated or even push them higher if inflation triggers widespread economic concern. Consequently, yields from the LGIP may remain stable or increase in the coming months. As a point of comparison, the City’s interest earnings have shifted from 5.44% in September 2023 to 3.69% today. Had the LGIP not strategically extended its average investment maturity, months ago, returns would be lower, at approximately 3.5%. Currently, long-term securities are yielding nearly 0.46% more than the LGIP.



	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr	30 Yr
7/2/2026	3.600	3.750	3.930	3.930	4.110	4.130	4.200	4.450	4.960
6/5/2026	3.660	3.710	3.780	3.850	4.150	4.200	4.270	4.450	5.000
Difference	-0.060%	0.040%	0.150%	0.080%	-0.040%	-0.070%	-0.070%	0.000%	-0.040%

Source: https://www.treasury.gov/resource-center/data-chart-center/interest-rates/pages/textview.aspx?data=yield

Strategy Notes. The City of Black Diamond's investments are not typically actively traded, meaning that there are no attempts to "buy low and sell high" or efforts to "time the market" are being made. Investments are purchased with the intent of providing investment income are intended to be held to maturity,relying on following a prudent course of action for income rather than predicting market direction.

Black Diamond Investment Portfolio (as of June 30, 2026)		
LGIP	$12,539,320	63%
Treasuries	$3,500,000	17%
Agencies	$4,000,000	20%
Totals	**$20,039,320**	**100%**

*note: percentages are rounded to the nearest whole number

Debt Activity

The City's last debt payment took place in May 2024. The City of Black Diamond is completely debt free to external issuers. However, the Enterprise Funds are indebted to the General Fund due to the acquisition of land on Lawson Street. A comprehensive city-wide debt report is attached with current balances.

Interfund Borrowings and Investments

Borrowing between funds is temporary in nature, reviewed periodically by staff and is amended as circumstances change.

Within the 2026 – 2031 Capital Improvement Plan (Reference: Page 74), designated a priority to purchase the property located on 26202 Lawson Street for the purpose of enlarging Public Works physical footprint for storage and operational usage. With the passage of Ordinance No. 26 – 1247 the Black Diamond City Council authorized an interfund loan from the General Fund to the Public Works Department to facilitate the acquisition of the property located at 26202 Lawson Street. This transaction utilized existing General Fund reserves to facilitate a Capital Improvement Project. Per the terms of the ordinance, the General Fund will be made whole through the receipt of principal and interest earnings payments over the course of a three-year period. The interest rate of the interfund loan will be set as the yearly average gross earnings rate for each year of payment, for the purposes of the repayment schedule below the interest rate is estimated to be 3.7%.

26202 Lawson Street Interfund Loan Debt Payment Schedule & Allocations

Interfund Loan Cost Allocation			
Fund	**Department**	**Allocation**	**Cost**
General Fund	Parks Department	11.6%	$61,205.43
General Fund	Cemetery Department	4.1%	$21,900.65
Street Fund	Street Fund	20.3%	$107,334.32
Water Fund	Water Fund	22.6%	$119,395.55
Sewer Fund	Sewer Fund	21.9%	$115,639.64
Stormwater Fund	Stormwater Fund	19.6%	$103,525.51
	Total Costs	**100.0%**	**$529,001.09**
General Fund Payment			$190,440.39
Total Amount of Loan			**$338,560.70**

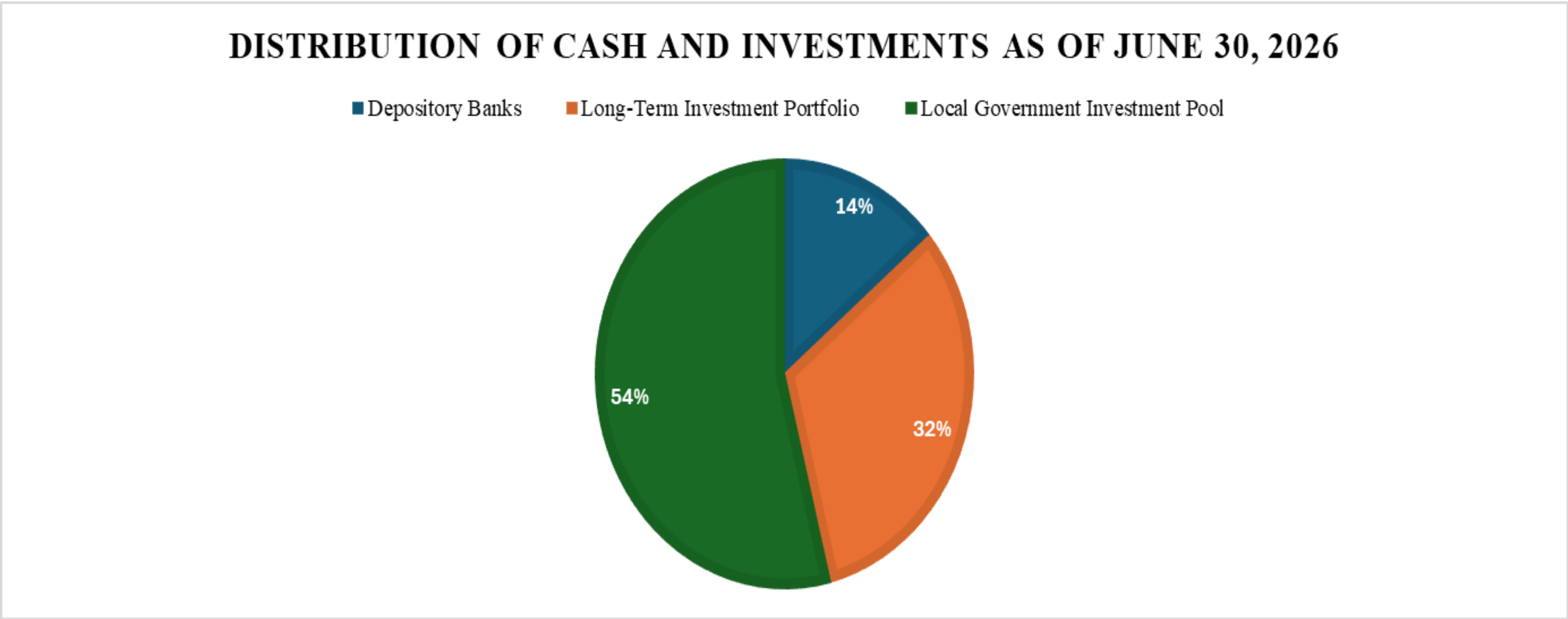
The following table outlines the Interfund Loan Payment Schedule issued to the Public Works Department for the Water, Sewer, and Stormwater Enterprise Funds. Notably, the Parks and Cemetery departments are excluded from this schedule; as they operate within the General Fund, their allocated costs did not require an interfund loan. Similarly, the Street Special Revenue Fund did not receive a loan, as its operations are already heavily supplemented by General Fund transfers.

Interfund Loan Payment Schedule				
Water Fund	**Year 1**	**Year 2**	**Year 3**	**Total Payment**
Principle Payment	$39,798.52	39798.52	39798.51	$119,395.55
Remaining Principle	$79,597.03	$39,798.51	$0.00	
Interest Payment	$4,417.64	$2,945.09	$1,472.54	$8,835.27
Total Payment	**$44,216.15**	**$42,743.61**	**$41,271.05**	**$128,230.82**
Sewer Fund	**Year 1**	**Year 2**	**Year 3**	**Total Payment**
Principle Payment	$38,546.55	$38,546.55	$38,546.55	$115,639.64
Remaining Principle	$77,093.09	$38,546.55	$0.00	
Interest Payment	$4,278.67	$2,852.44	$1,426.22	$8,557.33
Total Payment	**$42,825.21**	**$41,398.99**	**$39,972.77**	**$124,196.97**
Stormwater Fund	**Year 1**	**Year 2**	**Year 3**	**Total Payment**
Principle Payment	$34,508.50	$34,508.50	$34,508.50	$103,525.51
Remaining Principle	$69,017.01	$34,508.50	$0.00	$103,525.51
Interest Payment	$3,830.44	$2,553.63	$1,276.81	$7,660.89
Total Payment	**$38,338.95**	**$37,062.13**	**$35,785.32**	**$111,186.40**
	Year 1	**Year 2**	**Year 3**	**Total Profit**
General Fund Profit	**$12,526.75**	**$8,351.16**	**$4,175.58**	**$25,053.49**

**Estimate 3.7% interest*

Prior to the current interfund loan that was made to acquire 26202 Lawson Street, the most recent one was issued in 2017 for $160,000 to the Police Department (General Fund) from the Equipment Replacement Fund (510). The General Fund repaid the Equipment Replacement Fund $160,000 in principle and $4,000 in interest at a 2.5% interest rate, totaling $164,000 in payments.

City of Black Diamond Distribution of Cash and Investments



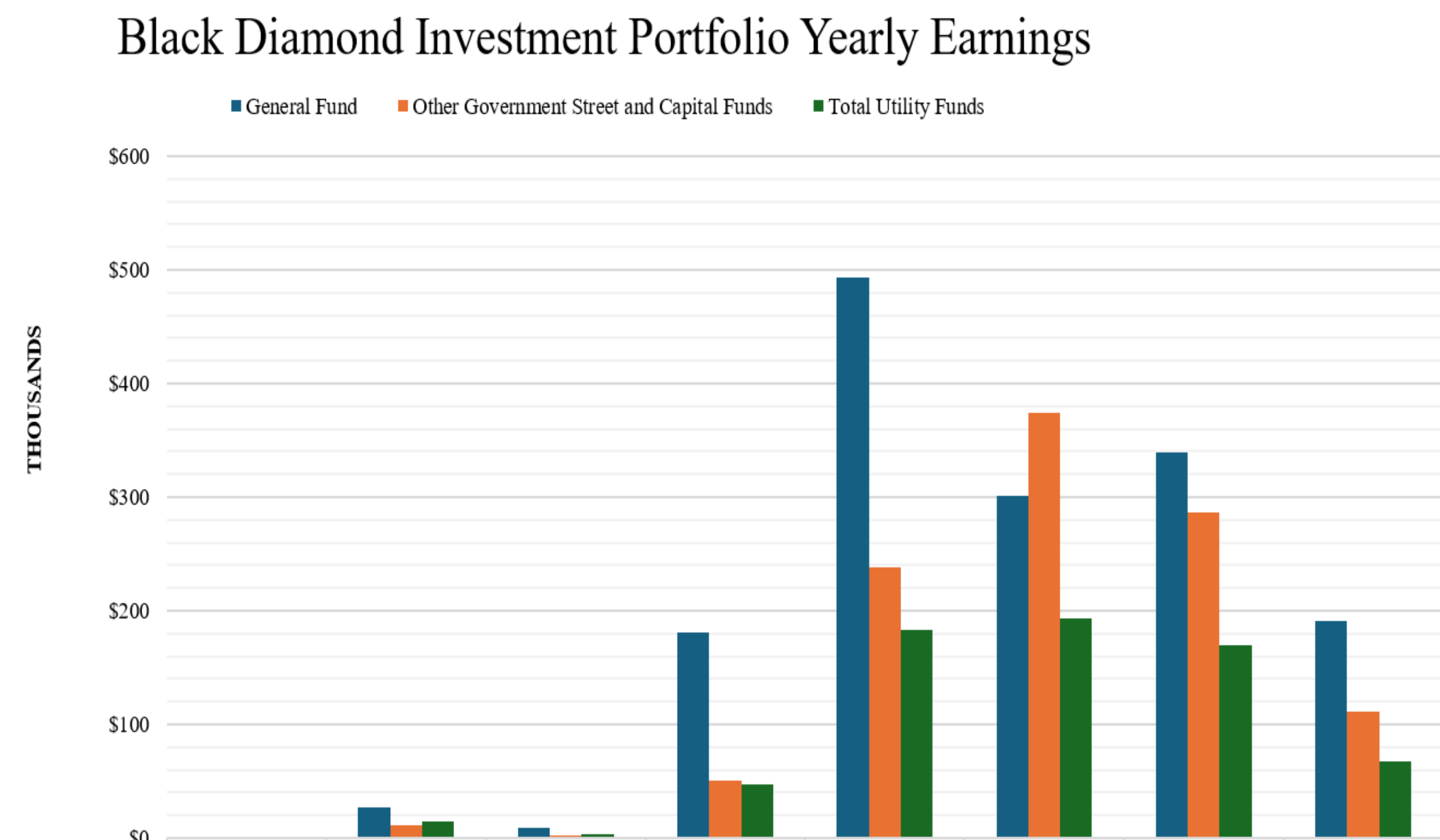
Investment Portfolio – Inventory by Agency

Investment Portfolio - Inventory by Agency							
Agency	**Inv#**	**Face Value**	**Price**	**Coupon**	**Settle**	**Maturity**	**Callable**
Federal Farm Credit Bank	001	$1,000,000	$999,462	4.16	2/21/2024	2/13/2029	No
Federal Home Loan Bank	002	$1,000,000	$971,840	4.14	2/21/2024	6/9/2028	No
United States Treasury	003	$1,000,000	$976,921	4.2	2/21/2024	1/31/2028	No
United States Treasury	004	$1,000,000	$974,347	4.23	2/21/2024	6/30/2027	No
Federal Farm Credit Bank	005	$1,000,000	$955,014	4.165	3/06/2024	3/21/2029	Yes
United States Treasury	006	$500,000	$506,376	4.23%	4/18/2024	1/15/2027	No
Federal Home Loan Mortgage Corporation	007	$1,000,000	$997,500	4.008%	12/11/2025	12/11/2030	Yes
United States Treasury	008	$1,000,000	$1,003,672	4.1%	6/23/2026	05/31/2031	No

Black Diamond Investment Portfolio Earnings

	Fund	2026	2025	2024	2023	2022	2021	2020
001	General Fund	$190,587.28	$339,018.91	$300,917.64	$493,212.29	$181,420.21	$8,680.34	$26,701.59
101	City Street Fund	$6,501.44	$10,528.28	$18,517.77	$13,281.65	$4,433.97	$142.43	$242.55
107	Fire Impact Mitigation Fee Fund	$26,184.98	$69,590.80	$65,119.85	$64,183.52	$31,727.35	$1,451.63	$7,345.30
108	Transportation Benefit District Fund	$932.36	$2,416.15	$3,303.91	$4,447.15	$1,418.98	$66.09	$278.48
109	Traffic Mitigation Fund	$0.00	$1.86	$465.64	$3,751.68	$4,515.09	$181.88	$937.15
110	ARPA Recovery Federal Funds	$0.00	$0.00	$0.00	$7,451.79	$4,968.60	$333.36	$0.00
112	Traffic Impact Fees	$1,458.28	$6,482.09	$3,711.35	$1,702.81	$29.15	$0.00	$0.00
310	CIP Fund: General Government	$49,756.27	$139,734.84	$204,740.31	$97,137.04	$0.00	$0.00	$0.00
311	REET 1 Fund	$9,332.10	$17,328.40	$24,972.30	$28,977.58	$3,911.81	$544.74	$2,665.46
320	CIP Fund: Streets	$17,379.85	$40,151.06	$53,276.94	$16,998.50	$0.00	$0.00	$0.00
321	REET 2 Fund	$8,442.85	$6,414.74	$16,384.89	$24,239.44	$12,979.40	$726.74	$2,919.73
401	Water Fund	$26,052.95	$41,589.13	$43,298.23	$26,330.88	$7,367.87	$727.13	$4,223.62
402	WSFFA Fund	$1,240.60	$6,134.72	$10,346.55	$11,164.14	$3,698.01	$1,126.18	$1,420.71
404	Water Capital Fund	$15,070.09	$49,767.11	$54,762.98	$74,066.44	$14,194.74	$618.67	$2,441.84
407	Sewer Fund	$8,063.50	$20,997.98	$30,165.77	$28,365.94	$8,320.99	$427.16	$1,719.56
408	Sewer Capital Projects	$7,038.11	$15,274.86	$18,119.16	$15,953.45	$4,768.75	$240.10	$1,348.21
410	Stormwater Fund	$501.25	$4,964.63	$17,280.99	$16,818.44	$5,475.08	$388.80	$1,563.67
412	Stormwater Capital Projects	$4,583.65	$11,225.23	$7,735.90	$1,256.94	$0.00	$0.00	$0.00
510	Internal Service Fund	$4,451.21	$19,434.70	$11,703.41	$8,916.52	$2,883.54	$293.40	$1,644.92
	Grand Total	**$377,576.77**	**$801,237.53**	**$884,823.59**	**$938,256.20**	**$292,113.54**	**$15,948.65**	**$55,452.79**

Black Diamond Investment Portfolio Yearly Earnings



	2020	2021	2022	2023	2024	2025	2026
General Fund	$26,701.59	$8,680.34	$181,420.21	$493,212.29	$300,917.64	$339,018.91	$190,587.28
Other Government Street and Capital Funds	$11,468.94	$2,720.13	$51,004.95	$237,931.72	$374,108.07	$286,233.48	$111,545.28
Total Utility Funds	$14,362.53	$3,821.44	$46,708.98	$182,872.75	$193,412.99	$169,388.36	$67,001.36

Long Term Debt Schedule

Long Term Debt Schedule					
Date Issued	Maturity	Description	Note	Amount of Issue	Current Balance
2005	May 2024	Water Debt Service		$5,447,820	$0

Restricted and Committed Portion of Ending Cash and Investments

To ensure the City's financial statements align with the Washington State Auditor's Office (SAO) BARS Manual and GASB Statement No. 54, the following definitions categorize the City's cash and investment balances based on the "hierarchy of constraint." These classifications inform the Council and the public exactly how much of the City's funds are legally restricted, committed, assigned, or unassigned.

Fund Balance Classifications & Definitions

The City of Black Diamond reports fund balances in five specific categories (Non-spendable, Restricted, Committed, Assigned, and Unassigned). The following four are most relevant to our current cash position:

1. Restricted Fund Balance

- Definition: Resources that are subject to constraints imposed by external parties or legal mandates.
- Authority: Constraints are established by Washington State law (RCW), federal grant agencies, or bond covenants.
- City Context: This includes REET (I & II), Impact Fees, and the Street Fund (Gas Tax), which are legally "locked" for specific capital or transportation purposes and cannot be diverted to general operations.

2. Committed Fund Balance

- Definition: Resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council.
- Authority: A commitment is the City's most binding constraint and requires a formal Ordinance or Resolution to establish or rescind.
- City Context: This represents "self-imposed" restrictions, such as the Water System Facility Funding Agreement (WSFFA) deposits or specific reserves the Council has legislatively set aside for future equipment replacement.

3. Assigned Fund Balance

- Definition: Resources that reflect the City's intended use for a specific purpose but do not meet the criteria of Restricted or Committed.
- Authority: Unlike commitments, assigned funds do not require a formal Ordinance. The Council or an authorized City official (e.g., Finance Director) may assign these funds through the budget process or a simple Motion.
- City Context: This includes "encumbrances" (funds set aside for open purchase orders) or amounts designated in the budget for specific one-time projects that have not yet begun.

4. Unassigned Fund Balance

- Definition: The residual classification for the General Fund representing all amounts not contained in the other classifications.
- Authority: These funds are fully discretionary and available for any valid municipal purpose.
- City Context: This is the City's "True Surplus." It serves as the primary safety net for emergency expenditures or as a funding source for future Council priorities.

Summary of Funding Constraints

Classification	Source of Constraint	Level of Flexibility
Restricted	External (State Law/Grantors)	None (Legally Mandated)
Committed	City Council (Ordinance/Resolution)	Low (Requires Legislation)
Assigned	Management/City Council Intent	Moderate (Budgetary Intent/Emergency Reserves)
Unassigned	Residual Fund Reserves	High (Full Discretion)

The following section provides a comprehensive breakdown of the City's fund balance classifications as of December 31, 2025. In accordance with GASB Statement No. 54 and the Washington State BARS Manual, these balances are categorized as Restricted, Committed, Assigned, or Unassigned based on the extent to which the City is bound to observe constraints on specific purposes.

Each entry details the respective fund, the year-end balance, and the specific legal or legislative authority, that governs the use of these resources. This hierarchy ensures that the City remains in full compliance with external mandates while maintaining the necessary transparency regarding the Council's discretionary fiscal capacity.[1]

Restricted Fund Balances[2]

On December 31, 2025, the City of Black Diamond had the following Restricted Fund Balances[3]:

1. **General Fund**
   - Fund: General Fund, 001
   - Amount: $25,923
   - Note: Police Drug Funds
   - Authority: RCW
2. **Fire Impact Fee Fund**
   - Fund: Fire Impact Fee Fund, 107
   - Amount: $1,415,578
   - Note: Fire Impact Fees collected by the City are legally restricted to fund specific capital projects and improvements necessitated by new development.
   - Authority: RCW 82.02.050-110
3. **General Fund Capital Improvement Plan Fund**

[1] These fund balance designations, are consistent with the following reports that are regularly reviewed by the Black Diamond City Council: (1) Income Statements, (2) the Audited Annual Financial Report, (3) the Annual Report; additionally, (4) they are thoroughly discussed during the annual budget process. This information has been added to the Quarterly Investment Report to increase accessibility to this information.

[2] Numbers are rounded to the nearest whole dollar.
[3] The ending fund balances are unaudited as of June 2026.

- Fund: General Fund Capital Improvement Plan Fund, 310
- Amount: $1,829,467
- Note: Real Estate Excise Tax (REET) revenues are subject to specific statutory restrictions and are dedicated primarily to the City's Capital Improvement Plan (CIP). Unlike General Fund operating revenues, REET collections are restricted for "capital projects and outlay," which includes the planning, construction, and improvement of public infrastructure.
- Authority: RCW 82.46.010

4. **Street Fund Capital Improvement Plan Fund**

- Fund: Street Fund, Capital Improvement Plan Fund, 320
- Amount: $1,270,785
- Note: Real Estate Excise Tax (REET) revenues are subject to specific statutory restrictions and are dedicated primarily to the City's Capital Improvement Plan (CIP). Unlike General Fund operating revenues, REET collections are restricted for "capital projects and outlay," which includes the planning, construction, and improvement of public infrastructure.
- Authority: RCW 82.16.035

5. **Water Utility Reserve and Capital Funds**

- Fund: Water Utility WSSFA Fund, 404
- Amount $79,977
- Note: A key component of the City's capital strategy is the Water System Facility Funding Agreement (WSFFA). Under this agreement, developers provide pre-funding deposits specifically designated for the design and construction of major water infrastructure projects.
- Authority: Black Diamond City Council/Developer Agreement

6. King County Treasurer's Trust

   - Fund: King County Treasurer's Trust and Washington State Treasurer's Trust, 633
   - Amount: $30,174
   - Note: The City of Black Diamond partners with the King County Treasurer for the collection and distribution of certain assessments such as community development related fees, pet licenses, and municipal court fees and other assessments.
   - Authority: RCW

7. Other Special Revenue Funds

   Special Revenue Funds are established to collect and account for revenues that are legally restricted or committed to specific purposes. These funds provide an added layer of accountability and transparency, ensuring that taxpayer dollars are used solely for their intended projects or services.

   By segregating these revenues from the General Fund, the City can clearly demonstrate how specific taxes, fees, grants, or other dedicated sources are being applied to meet public objectives such as transportation improvements, parks development, and other projects.

   - The following are other funds that are generally restricted in usage but are not listed because their balances were equal to zero at the end of December 2025. These are generally special revenue funds, which represent a significant portion of the City's funds. These funds are often transferred to appropriate operational funds or transferred to a third party such as the Enumclaw School District who would then use these funds for the purpose intended generally by either King County or Washington State.

     i. Transportation Benefit District, 108

   - Note: Transportation Benefit District Revenues are dedicated exclusively to maintaining and improving City streets. Funded activities include but are not limited to: roadway striping and pavement maintenances; pothole repair and should grading; maintenance of streetlights, signals, and sidewalks; vegetation control and traffic signage; and general street safety enhancements. This dedicated fund source plays a critical role in supplementing limited gas tax revenues, helping the City preserve a safe and functional transportation infrastructure.

ii. American Rescue Plan Act (ARPA) Federal Recovery Funds, 110

- Note: From 2021 through 2024, the City of Black Diamond utilized one-time federal funding provided through the American Rescue Plan Act (ARPA) to support community resilience and essential government services following the COVID-19 pandemic. These funds were strictly governed by U.S. Treasury Department regulations, which required all resources to be obligated and expended within specific federal timelines.

As of the 2023 fiscal year-end, the City successfully deployed 100% of its allocated ARPA recovery funds toward eligible infrastructure and public safety initiatives. While this fund now carries a zero balance and is considered "fully sunset," it remains in our financial reports for historical continuity and to document the City's compliance with federal close-out and audit requirements.

iii. School Impact Fee Fund, 111

- Note: In 2020, the Black Diamond City Council enacted legislation authorizing the collection of school impact fees from new developments within the city limits. These fees are collected on behalf of the four school districts serving our community: Enumclaw, Kent, Tahoma, and Auburn.

  In accordance with Washington State Auditor's Office (SAO) requirements, these resources are tracked within a dedicated Special Revenue Fund. This ensures full transparency and distinct separation from City operating funds. The City acts as a fiduciary agent for these districts; fees are collected during the permitting process and subsequently transferred to the respective school districts to fund growth-related infrastructure. These accounts function as "pass-through" or "sweep" accounts and do not represent discretionary City revenue.

Committed Fund Balances

On December 31, 2025, the City of Black Diamond had the following Committed Fund Balances:

1. **Transferable Development Rights Fund**
   - Fund: Transferable Development Rights, 113

- Amount: $945,000
- Note: Funds received for the Sale of Development Right Certificates and can be used for the purpose of developing, preserving, and enhancing public properties and open spaces.
- Authority: Black Diamond City Council

2. **Traffic Impact Fee Fund**
   - Fund: Traffic Impact Fee Fund, 112
   - Amount: $192,236
   - Note: Traffic Impact Fees are collected by the City and are legally restricted to fund specific capital improvements necessitated by new development.

3.

Assigned Fund Balances

On December 31, 2025, the City of Black Diamond had the following Assigned Fund Balances:

1. **Street Fund**
   - Fund: Street Fund, 101
   - Amount: $546,173
   - Note: The Street Fund's reserves are all earned or transferred to the Street Fund. Though the Street Fund does operate, it is still considered a special revenue fund; hence, its entirety of its reserves is assigned towards Street Fund usage.
   - Authority: Black Diamond City Council/Administration

2. **Traffic Mitigation**
   - Fund: General Fund, 109
   - Amount: $2
   - Note: As a special revenue fund, the entirety of this fund's balance is assigned towards traffic mitigation purposes. With this fund being a "pass-through" of sorts, the funds that this fund generates are assigned towards passing towards that transaction.
   - Authority: Black Diamond City Council/Administration

3. **General Fund Capital Fund**
   - Fund: General Fund Capital Fund, 310

- Amount: $1,610,559
- Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes
- Authority: Black Diamond City Council/Administration

4. **Street Fund Capital Fund**
   - Fund: Street Fund Capital Fund, 320
   - Amount: $103,297
   - Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes
   - Authority: Black Diamond City Council/Administration

5. **Public Works Retainage Fund**
   - Fund: Public Works Retainage Fund, 322
   - Amount: $28,374
   - Note: The entirety of this amount has been assigned to Retainage Funds and tracked within a separate special revenue fund in accordance with the Washington State Auditor's Office.
   - Authority: Black Diamond City Council/Administration

6. **Water Reserve Operating, Reserve, and Capital Fund**
   - Fund: Water Reserve and Capital Funds, 401-404
   - Amount: $2,471,513
   - Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes
   - Authority: Black Diamond City Council/Administration

7. **Sewer Operating, Reserve, and Capital Fund**
   - Fund: Sewer Operational and Capital Funds, 407-408
   - Amount: $920,337
   - Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes.
   - Authority: Black Diamond City Council/Administration

8. **Stormwater Operating, Reserve, and Capital Fund**

- Fund: Stormwater Operational and Capital Funds, 410-412
- Amount: $352,921
- Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes
- Authority: Black Diamond City Council/Administration

9. **General Fund and Public Works Equipment Funds**
   - Fund: General Fund, 510
   - Amount: $278,045
   - Note: These funds have been assigned, generally, during the approval of the annual budget and Capital Improvement processes
   - Authority: Black Diamond City Council/Administration

Unassigned Fund Balances

On December 31, 2025, the City of Black Diamond had the following Unassigned Fund Balances:

1. **General Fund**
   - Fund: General Fund, 001
   - Amount 1: $9,145,190
   - Note: The Developer Funds of $63,000 part of the agreement with the Master Developer, these funds are categorized as unassigned. Additionally, the unassigned fund balance for the General Fund includes the 35% emergency reserves.
   - Authority: Black Diamond City Council/Administration

Overview of Fund Balances

The City's cash and investment balances are classified as restricted or committed when use is constrained by external parties (such as grantors or state law) or by formal action of the City Council. To ensure the most efficient use of City resources, Black Diamond follows a "restricted-first" spending priority. When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the City's policy is to apply restricted resources first. This approach ensures that dedicated funds are utilized for their intended purposes while preserving the City's flexible, unrestricted reserves. The following table details each funds allocation towards restricted, committed, assigned, and unassigned fund balances respectively.

Summary of Fund Balances Table, as of December 31, 2025

Fund	Restricted	Committed	Assigned	Unassigned	Total	Primary Usage
General Fund	$25,923	-	-	$9,145,190	$9,171,113	General Operations/Public Safety
Street Fund	-	-	$546,173	-	$546,173	Transportation and Street Maintenance related expenditures
Fire Impact Fees	$1,415,578	-	-	-	$1,415,578	Growth-related expenditures
Transportation Benefit District	-	-	-	-	-	Transportation and Street Maintenance related expenditures
Traffic Mitigation Fees	-	-	$2	-	$2	Growth-related expenditures
School Impact Fee Fund	-	-	-	-	-	Fiduciary agent on behalf of school districts
Traffic Impact Fees	-	$192,236	-	-	$192,236	Growth-related expenditures
Transferable Development Rights	-	$945,000	-	-	$945,000	Developing, preserving, and enhancing public properties
American Rescue Plan Act (ARPA)	-	-	-	-	$0	Eligible infrastructure and public safety initiatives

Summary of Fund Balances Table, as of December 31, 2025 (continued)

Fund	Restricted	Committed	Assigned	Unassigned	Total	Primary Usage
Real Estate Excise Tax & General Government Capital Projects	$1,829,467	-	$1,610,559	-	$3,440,026	Capital Improvement Projects
Real Estate Excise Tax II, Streets, and Retainage	$1,270,785	-	$131,671	-	$1,402,455	Retainage and REET Fund Revenues
Police and Public Works Equipment Replacement	-	-	$278,045	-	$278,045	Capital Outlay
Water Operating	-	-	$1,482,266	-	$1,482,266	General Operations
Waster/WSFFA	$79,977	-	-	-	$79,977	Developer pre-funded Water Capital Projects
Water Reserve and Capital	-	-	$989,247	-	$989,247	Capital Outlay and Capital Projects
Sewer Operating	-	-	$511,943	-	$511,943	General Operations

Summary of Fund Balances Table, as of December 31, 2025 (continued)

Fund	Restricted	Committed	Assigned	Unassigned	Total	Primary Usage
Sewer Reserve and Capital	-	-	$408,394	-	$408,394	Capital Outlay and Capital Projects
Stormwater Operating	-	-	$86,950	-	$86,950	General Operations
Stormwater Reserves and Capital	-	-	$265,972	-	$265,972	Capital Outlay and Capital Projects
Trust Funds (combined)	$30,174	-	-	-	$30,174	Fiduciary agent on behalf of the State of Washington and King County
Total for All Funds	**$4,651,903**	**$1,137,236**	**$6,311,221**	**$9,145,190**	**$21,245,550**	

Black Diamond 2026 2nd Quarter Financial Report

Overview

The 2nd Quarter Financial Report summarizes the 2026 budgeted revenues and expenditures compared to the actual revenues and expenditures received through June 30, 2026.

Overview, Continued

This report includes statements for the General Fund, Street Fund, Water Fund, Sewer Fund, Stormwater Fund, balance sheet, and Black Diamond’s investment portfolio.

Agenda

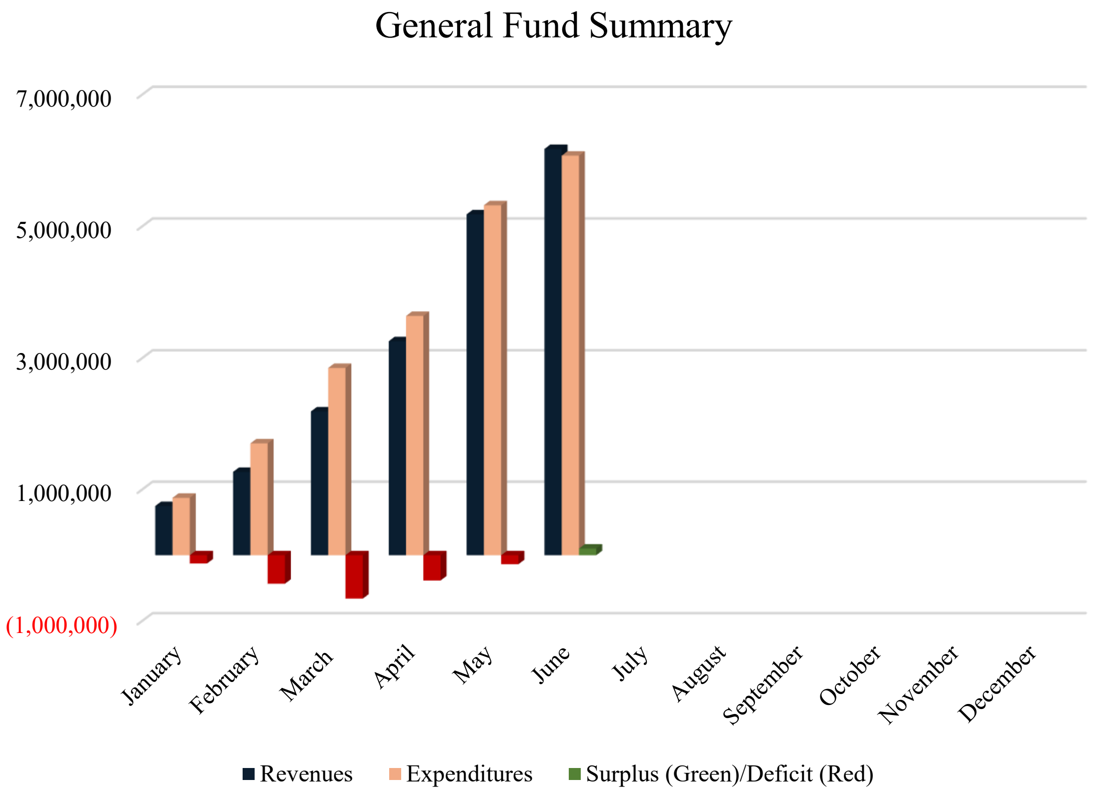
1. Fund Performance Summaries, 2nd Quarter
2. Cash and Investment Balances Summary
3. Fund Balance Classification of Ending Cash and Investments

Fund Performance Summaries, 2nd Quarter 2026

General Fund Summary

The General Fund ended the 2nd Quarter of 2026 with the following:

	Amount	% of Budget
Total Revenues	$6,173,826	48.8% of budget
Total Expenditures	$6,072,639	46.5% of budget
Surplus/Deficit	$101,187	

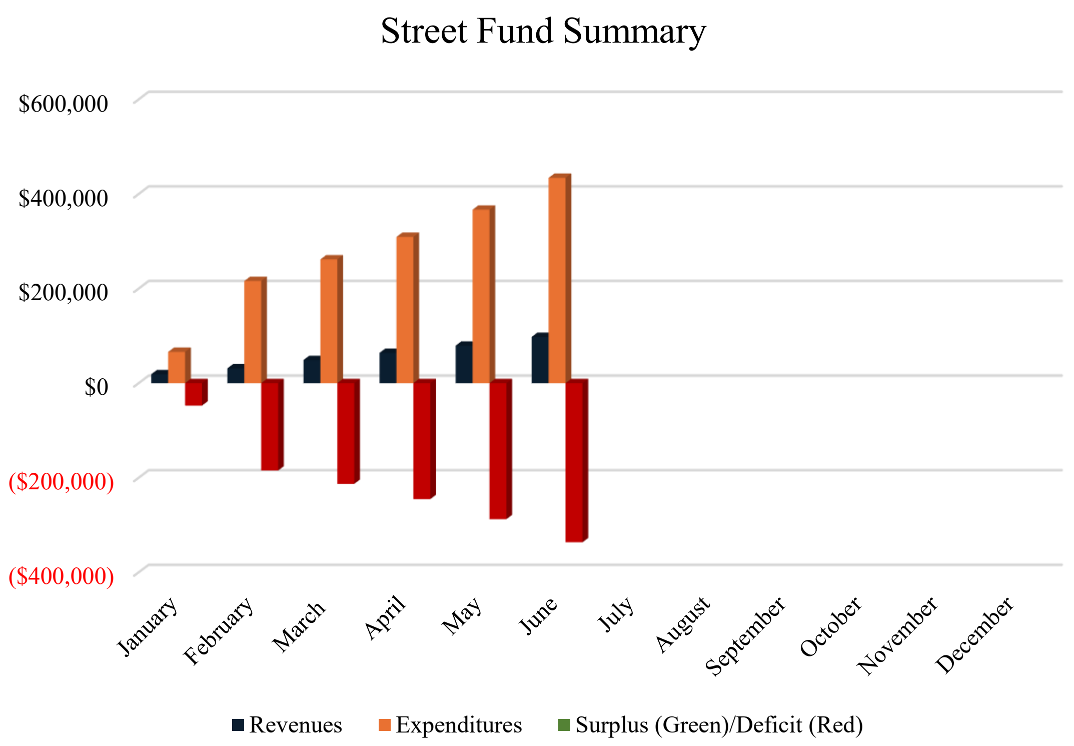


The General Fund broke even towards the end of the second quarter. The General Fund breaking so early in the year, was due to strong revenues, particularly sales taxes and property taxes.

Street Fund Summary

The Street Fund ended the 2nd Quarter of 2026 with the following:

	Amount	% of Budget
Total Revenues	$97,896	18% of budget
Total Expenditures	$434,216	47% of budget
Surplus/Deficit	$336,320	

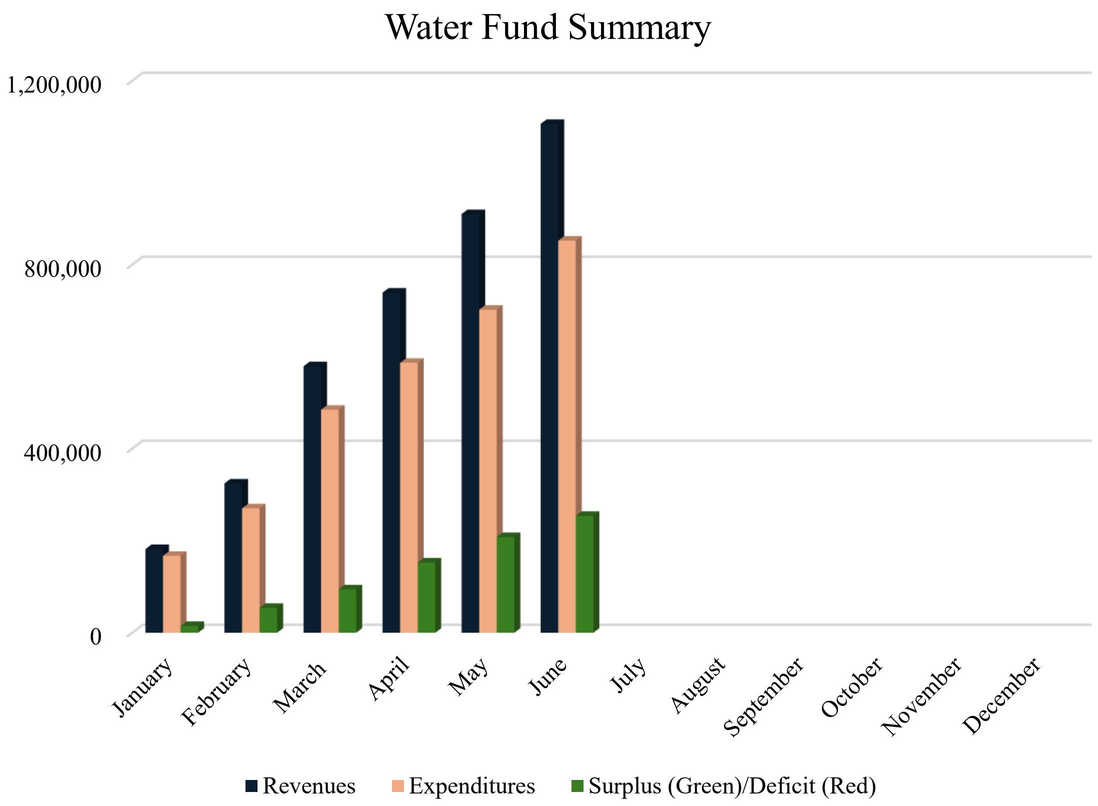


The Street Fund is heavily supplemented by internal transfers. This fund is heavily reliant upon transfers from other funds such as the TBD and REET Funds, those transfers have not transpired, yet; hence, the larger than budgeted deficit.

Water Fund Summary

The Water Fund ended the 2nd Quarter of 2026 with the following:

	Total Amount	% of Budget
Total Revenues	$1,106,169	38% of budget
Total Expenditures	$852,211	40% of budget
Surplus/Deficit	$253,958	

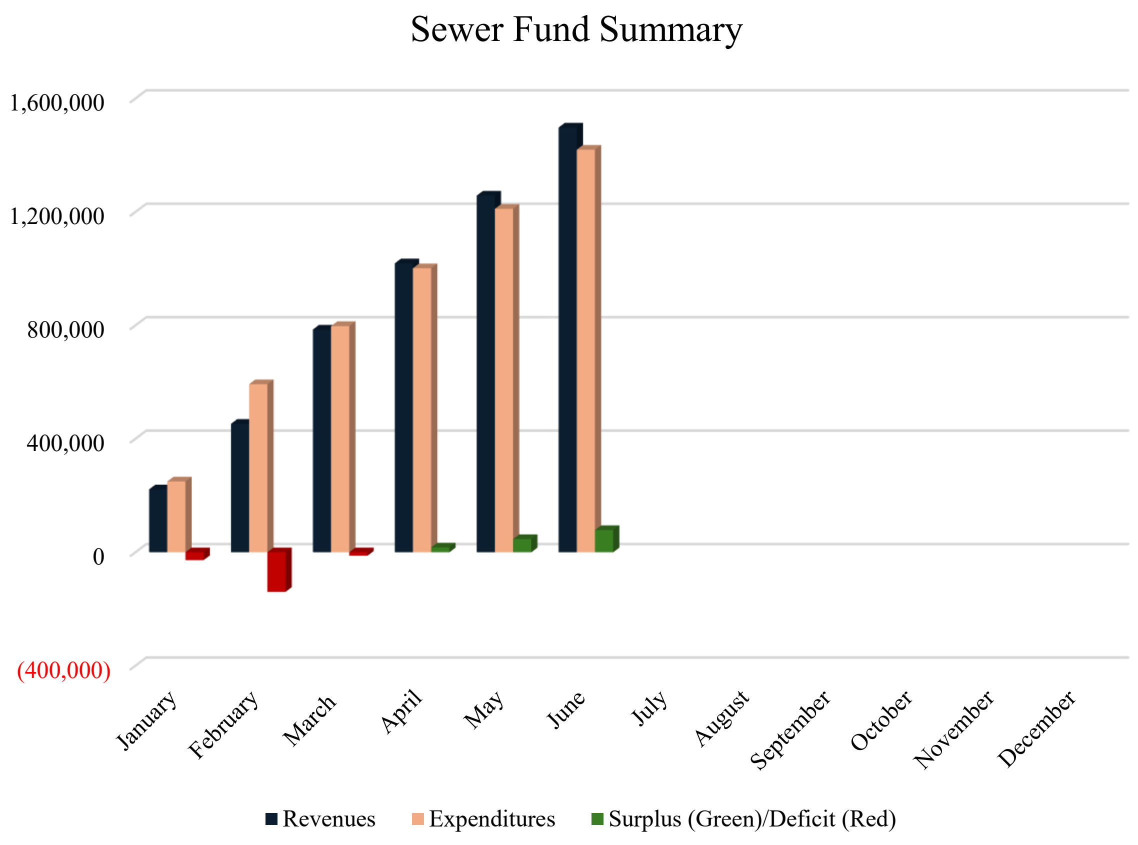


Of the enterprise funds, the Water Fund is fiscally the healthiest. Beginning in January, it has operated at a surplus; however, that surplus will drastically diminish once the fund fulfills its capital maintenance obligations. Overall, the fund is performing well and tracking closely to its budgeted projections (revenues surge in the 2nd and 3rd quarters due to increased water usage).

Sewer Fund Summary

The Sewer Fund ended the 2nd Quarter of 2026 with the following:

	Total Amount	% of Budget
Total Revenues	$1,497,678	51.4% of budget
Total Expenditures	$1,419,529	49% of budget
Surplus/Deficit	$78,149	

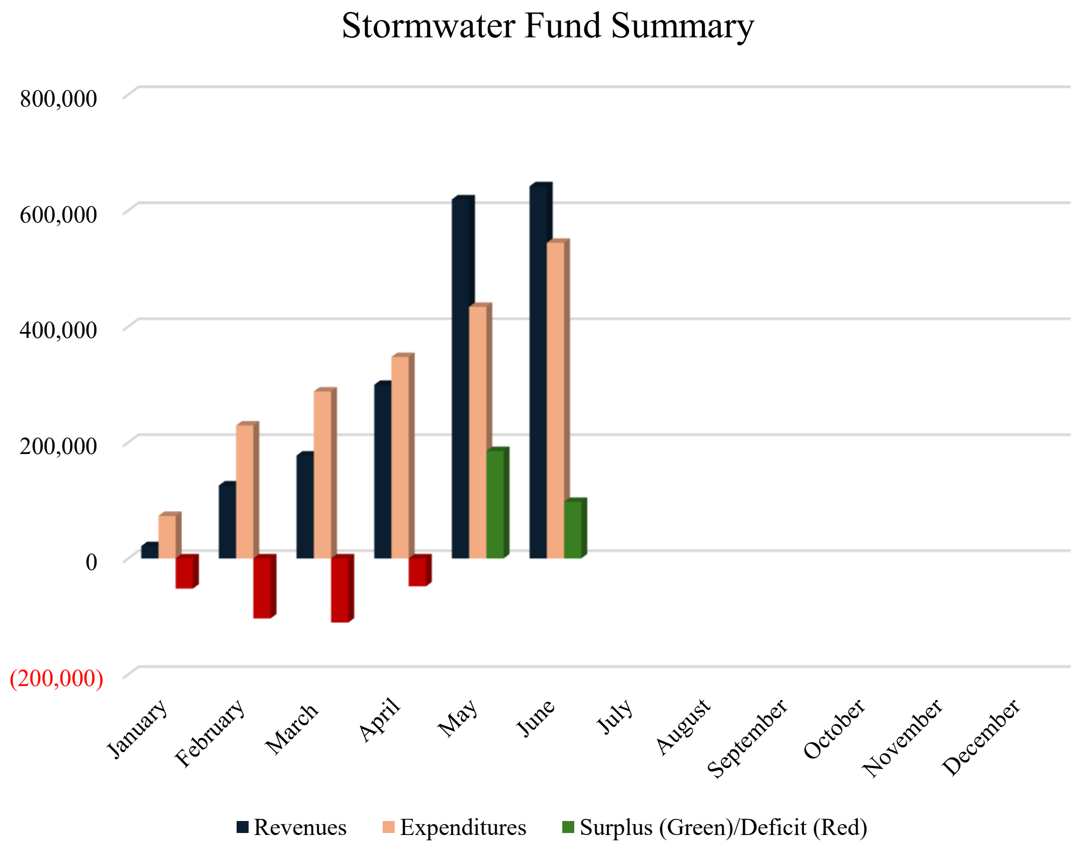


The Sewer Fund ended the first quarter with a minor deficit of $12,362. While financially constrained, the fund is tracking closely to its budgeted projections and will likely end the year in a surplus. This projected surplus is primarily due to deferred capital transfers, to maintain baseline operations.

Stormwater Fund Summary

The Stormwater Fund ended the 2nd Quarter of 2026 with the following:

	Total Amount	% of Budget
Total Revenues	$641,865	56.5% of budget
Total Expenditures	$544,312	51.6% of budget
Surplus/Deficit	$97,553	



The Stormwater Fund ended the first quarter with a deficit of $110,563. Because the fund collects the bulk of its revenue in two distinct tranches throughout the year, this deficit represents a timing-related cash-flow issue rather than an operational one. With the current conditions, this fund may end in a deficit due to expenditures outpacing the growth of revenues in recent years further drawing down the fund's reserves.

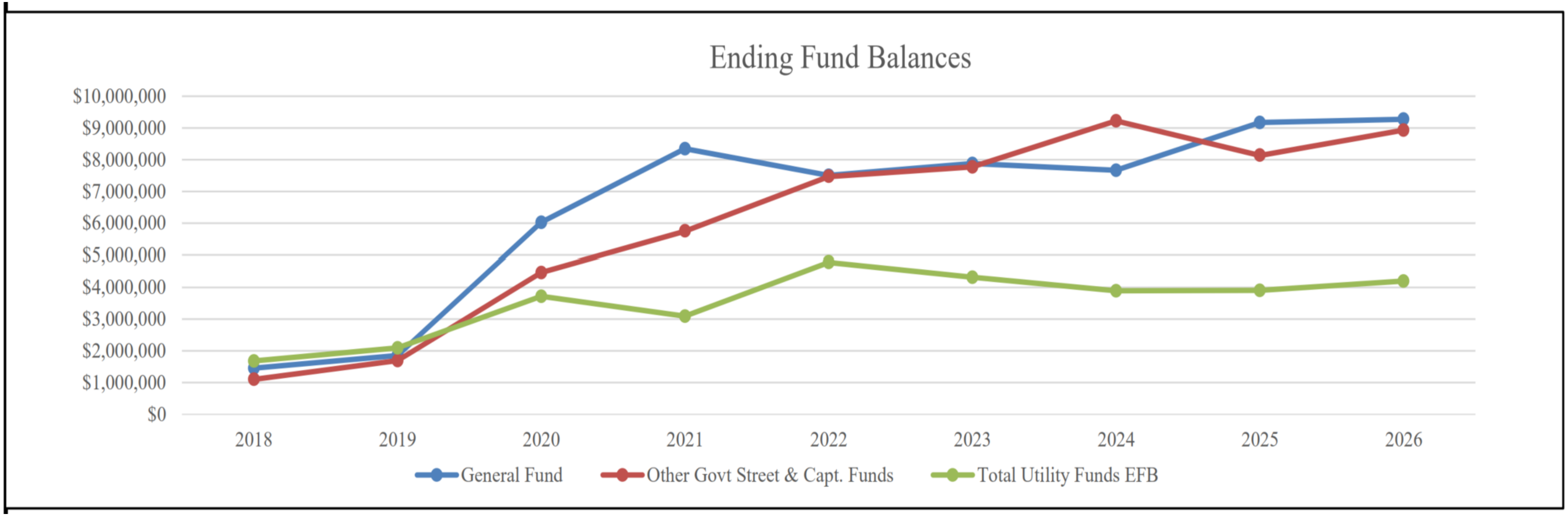
Cash and Investment Balances

Cash and Investment Balance Report

Cash & Investment Balance Report 2nd Quarter 2026							
GOVERNMENTAL FUNDS	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
General Fund Ending Fund Balance	**6,022,285**	**8,346,574**	**7,506,059**	**7,880,874**	**7,659,424**	**9,171,113**	**9,272,300**
Capital and Special Revenue Funds							
Street Fund	188,158	292,205	325,924	450,146	405,754	546,173	209,991
Fire Impact Fees	1,135,891	1,623,301	1,239,869	1,142,030	1,302,154	1,415,578	1,644,793
TBD-Car Tabs	33,607	53,427	78,497	60,907	0	0	134,414
Traffic Mitigation/Impact Fees	170,342	216,654	288,438	118,986	77,287	192,238	181,891
Transferrable Development Rights	0	0	0	0	945,000	945,000	945,000
ARPA Recovery Funds	0	568,288	151,212	0	0	0	0
School Impact Fee Fund	0	0	0	0	0	0	0
REET I & Gen Govt Cap Proj	1,856,948	1,606,887	4,246,747	4,586,993	4,858,663	3,440,026	3,766,976
REET II, PW-Streets, and Retainage	915,195	1,275,958	1,034,878	1,334,676	1,525,454	1,402,455	1,845,100
Police Equipment Replacement	168,868	115,771	103,780	76,793	109,237	196,151	201,703
Other Government, Street & Capt.	**4,469,009**	**5,752,491**	**7,469,345**	**7,770,531**	**9,223,550**	**8,137,620**	**8,929,868**
Total Government Ending C&I	**10,491,294**	**14,099,065**	**14,975,404**	**15,651,405**	**16,882,974**	**17,308,733**	**18,202,168**
UTILITY FUNDS							
Water Operating	660,141	626,793	704,394	1,010,250	951,250	1,482,266	1,736,224
Water/WSFFA	1,240,281	498,658	257,340	212,868	178,152	79,977	178,079
Water Reserve & Capital	602,226	521,335	2,251,540	1,169,849	1,202,184	989,247	760,351
Sewer Operating	419,155	494,625	627,875	678,789	602,074	511,943	590,092
Sewer Reserve & Capital	272,463	325,312	372,446	391,799	367,819	408,394	401,262
Stormwater Operating	344,919	428,667	414,572	488,320	168,936	86,950	184,503
Stormwater Reserves & Capital	39,730	12,878	82,913	231,314	300,857	265,972	270,555
PW Equipment Replacement	136,577	183,239	72,304	133,340	119,393	81,895	79,888
Total Util Funds Ending C&I	**3,715,492**	**3,091,507**	**4,783,383**	**4,316,529**	**3,890,665**	**3,906,643**	**4,200,954**
Trust Funds-due to others*	**4,322**	**8,215**	**2,475**	**16,132**	**8,003**	**30,174**	**42,102**
Total Ending-Cash & Inv.**	**14,211,108**	**17,198,787**	**19,761,262**	**19,984,067**	**20,781,642**	**21,245,550**	**22,445,224**

*Note: The Cash and Investment Balances includes reserve funds; whereas the earlier fund summaries do not.

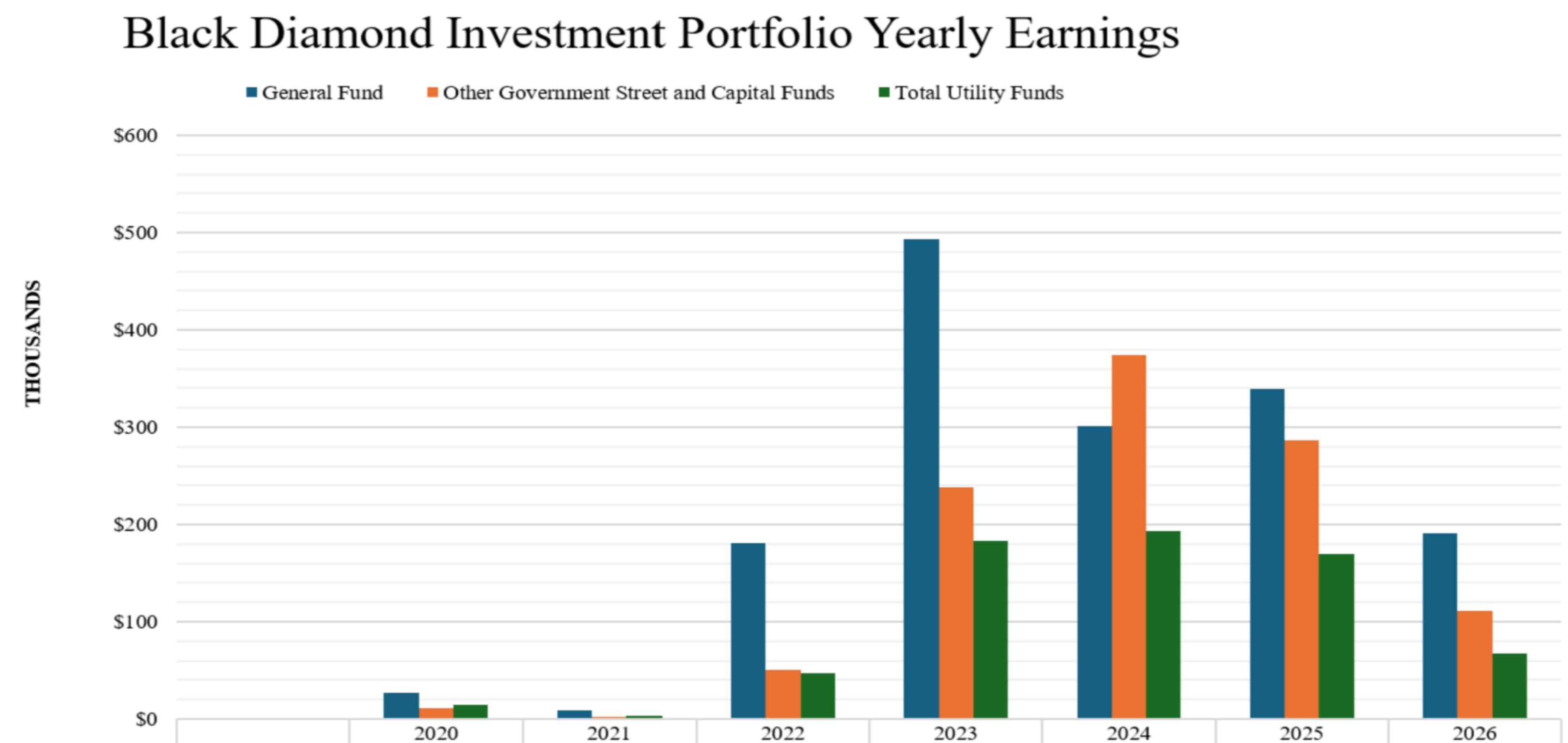
Cash and Investment Balance Report



Black Diamond Investment Portfolio Earnings

	Fund	2026	2025	2024	2023	2022	2021	2020
001	General Fund	$190,587.28	$339,018.91	$300,917.64	$493,212.29	$181,420.21	$8,680.34	$26,701.59
101	City Street Fund	$6,501.44	$10,528.28	$18,517.77	$13,281.65	$4,433.97	$142.43	$242.55
107	Fire Impact Mitigation Fee Fund	$26,184.98	$69,590.80	$65,119.85	$64,183.52	$31,727.35	$1,451.63	$7,345.30
108	Transportation Benefit District Fund	$932.36	$2,416.15	$3,303.91	$4,447.15	$1,418.98	$66.09	$278.48
109	Traffic Mitigation Fund	$0.00	$1.86	$465.64	$3,751.68	$4,515.09	$181.88	$937.15
110	ARPA Recovery Federal Funds	$0.00	$0.00	$0.00	$7,451.79	$4,968.60	$333.36	$0.00
112	Traffic Impact Fees	$1,458.28	$6,482.09	$3,711.35	$1,702.81	$29.15	$0.00	$0.00
310	CIP Fund: General Government	$49,756.27	$139,734.84	$204,740.31	$97,137.04	$0.00	$0.00	$0.00
311	REET 1 Fund	$9,332.10	$17,328.40	$24,972.30	$28,977.58	$3,911.81	$544.74	$2,665.46
320	CIP Fund: Streets	$17,379.85	$40,151.06	$53,276.94	$16,998.50	$0.00	$0.00	$0.00
321	REET 2 Fund	$8,442.85	$6,414.74	$16,384.89	$24,239.44	$12,979.40	$726.74	$2,919.73
401	Water Fund	$26,052.95	$41,589.13	$43,298.23	$26,330.88	$7,367.87	$727.13	$4,223.62
402	WSFFA Fund	$1,240.60	$6,134.72	$10,346.55	$11,164.14	$3,698.01	$1,126.18	$1,420.71
404	Water Capital Fund	$15,070.09	$49,767.11	$54,762.98	$74,066.44	$14,194.74	$618.67	$2,441.84
407	Sewer Fund	$8,063.50	$20,997.98	$30,165.77	$28,365.94	$8,320.99	$427.16	$1,719.56
408	Sewer Capital Projects	$7,038.11	$15,274.86	$18,119.16	$15,953.45	$4,768.75	$240.10	$1,348.21
410	Stormwater Fund	$501.25	$4,964.63	$17,280.99	$16,818.44	$5,475.08	$388.80	$1,563.67
412	Stormwater Capital Projects	$4,583.65	$11,225.23	$7,735.90	$1,256.94	$0.00	$0.00	$0.00
510	Internal Service Fund	$4,451.21	$19,434.70	$11,703.41	$8,916.52	$2,883.54	$293.40	$1,644.92
Grand Total		**$377,576.77**	**$801,237.53**	**$884,823.59**	**$938,256.20**	**$292,113.54**	**$15,948.65**	**$55,452.79**

Black Diamond Investment Earnings, by Fund



	2020	2021	2022	2023	2024	2025	2026
General Fund	$26,701.59	$8,680.34	$181,420.21	$493,212.29	$300,917.64	$339,018.91	$190,587.28
Other Government Street and Capital Funds	$11,468.94	$2,720.13	$51,004.95	$237,931.72	$374,108.07	$286,233.48	$111,545.28
Total Utility Funds	$14,362.53	$3,821.44	$46,708.98	$182,872.75	$193,412.99	$169,388.36	$67,001.36

Fund Balance Classifications and Ending Cash and Investments

Fund Balance Classification of Ending Cash and Investments

Summary of Funding Constraints

Classification	**Source of Constraint**	**Level of Flexibility**
Restricted	External (State Law/Grantors)	None (Legally Mandated)
Committed	City Council (Ordinance/Resolution)	Low (Requires Legislation)
Assigned	Management/City Council Intent	Moderate (Budgetary Intent/Emergency Reserves)
Unassigned	Residual Fund Reserves	High (Full Discretion)

Fund Balance Classification of Ending Cash and Investments

Ending Cash and Investment Balances according to Classification (as of December 31, 2025)	
	Total for All Funds
Non-spendable	$0
Restricted	$4,651,903
Committed	$1,137,236
Assigned	$6,311,221
Unassigned	$9,145,190
Total Ending Cash and Investments	**$21,245,550**

CERTIFICATION

Finance Committee: September 8, 2026
Council Date: September 15, 2026

Check No.'s / EFT	Batch Name	Check / EFT Date	Amount
57722	August 2026 Early Batch 3	08/20/26	$ 488.72
57723-57768	September 2026 Regular Batch 2	09/16/26	$ 182,946.05
		TOTAL:	**$ 183,434.77**

I, THE UNDERSIGNED DO HEREBY CERTIFY UNDER THE PENALTY OF PERJURY, THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED AND OR THE LABOR PERFORMED AS DESCRIBED HEREIN AND THAT THE CLAIM IS A JUST, DUE AND UNPAID OBLIGATION AGAINST THE CITY OF BLACK DIAMOND, AND THAT I AM AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM.

Xavier Mason
Xavier Mason, Finance Director

DATE: 09/03/2026

John Adler, Mayor

DATE

Register

Fiscal: 2026
Deposit Period: 2026 - September, 2026 - August
Check Period: 2026 - September - 09/26 Regular Batch 2, 2026 - August - 08/26 Early Batch 3

Name	Print Date	Clearing Date	Amount
Neil Wilson	8/20/2026		$488.72
AHBL, Inc.	9/16/2026		$5,101.50
Alexis Elton	9/16/2026		$297.50
Alsco	9/16/2026		$235.50
Art Gamblin Motors	9/16/2026		$469.18
Big Mountain Electric, Inc	9/16/2026		$12,099.00
Bill's Locksmith Service Inc.	9/16/2026		$1,745.42
Black Diamond Gun Club	9/16/2026		$187.50
Bryant's Tractor & Mower Inc.	9/16/2026		$312.93
CenturyLink (WA)	9/16/2026		$736.47
Cities Digital, Inc. "CDI"	9/16/2026		$3,541.12
City of Black Diamond/Retained Funds	9/16/2026		$281.82
Civic Forge LLC	9/16/2026		$2,000.00
Cummins Sales and Service	9/16/2026		$2,031.54
DCW - Data Center Warehouse	9/16/2026		$5,754.41
Debbie Gill	9/16/2026		$3.78
Ditch Witch West	9/16/2026		$90.58
Federal Eastern International	9/16/2026		$1,392.63
Ferguson #3156	9/16/2026		$10,621.64
Financial Consultants International Inc	9/16/2026		$25,454.52
Firestone Complete Auto Care	9/16/2026		$842.46
HWA GeoSciences Inc.	9/16/2026		$1,475.00
Joann Sloss	9/16/2026		$2.74
Johnsons Home & Garden	9/16/2026		$34.72
Les Schwab - Maple Valley	9/16/2026		$173.44
LN Curtis & Sons	9/16/2026		$628.29
Madrona Law Group LLC	9/16/2026		$3,168.00
Mountain View Auto Supply, Inc (NAPA)	9/16/2026		$1,239.65
Northstar Chemical Inc.	9/16/2026		$4,157.85
Olympic Environmental Resources	9/16/2026		$1,000.00
Orkin Commercial Services	9/16/2026		$581.63
Palmer Coking Coal Company	9/16/2026		$939.19
Pape Machinery	9/16/2026		$14.01
Parametrix, Inc.	9/16/2026		$19,493.33
Snyder, Jordan	9/16/2026		$50.00

Pye-Barker Fire & Safety LLC	9/16/2026	$4,262.85
Raedeke Associates Inc	9/16/2026	$2,075.00
RH2 Engineering Inc.	9/16/2026	$12,744.61
Scheibmeir, Kelly & Nelson , P.S.	9/16/2026	$1,550.00
Scott Hanis	9/16/2026	$268.76
Severson's Building Maintenance	9/16/2026	$2,650.00
SHI International Corp.	9/16/2026	$43.58
State Auditor's Office	9/16/2026	$10,582.50
Tracey Redd	9/16/2026	$888.47
Treat's Heating & Cooling	9/16/2026	$3,286.13
Varius Inc.	9/16/2026	$38,316.80
Water Management Laboratories, Inc.	9/16/2026	$120.00
	Grand Total	**$183,434.77**

BLACK DIAMOND CITY COUNCIL MINUTES
Council Meeting of September 1, 2026
Hybrid Meeting Via Zoom and In-Person
Council Chamber, 25510 Lawson Street, Black Diamond, Washington

CALL TO ORDER, FLAG SALUTE:

Mayor Adler called the regular meeting to order at 7:00 p.m. and led us all in the Flag Salute.

ROLL CALL:

PRESENT: Councilmembers Deady, Nielsen (Zoom), Peterson, Young, Dal Santo, Reed

Councilmember Deady **moved** to excuse Councilmember Sorci from the meeting; **second** Councilmember Reed. Motion **passed** with all voting in favor (6-0).

ABSENT: Councilmember Sorci (excused)

Staff present: Xavier Mason, Finance Director; Scott Hanis, Public Works Director; Hal H. Hart, Community Development Director; Jessica Zielinski, Assistant Planner/Permit Tech; Rob Reed, IS Manager; Commander Martinez; David Linehan, City Attorney; Kevin O'Neill, City Administrator; Brenda L. Martinez, City Clerk/HR Manager.

AGENDA REVIEW AND APPROVAL:

City Administrator O'Neill stated that staff is requesting to pull item #5 and bring back at the next meeting with updated information.

Councilmember Deady **moved** to add an executive session on real estate acquisition; **second** Councilmember Reed Motion passed with all voting in favor (6-0).

Councilmember Peterson **moved** to approve the agenda as amended; **second** Councilmember Deady. Motion **passed** with all voting in favor (6-0).

PUBLIC COMMENTS:

Tom Ekberg, Black Diamond spoke to Council.

Vicky Shulter, Black Diamond spoke to Council.

Monica Mancini, Black Diamond spoke to Council.

Greta Flores, Black Diamond spoke to Council.

APPOINTMENTS, ANNOUNCEMENTS, PROCLAMATIONS AND PRESENTATIONS: None

COMMITTEE REPORTS:

Councilmember Young reported on items discussed at the Public Works Committee meeting.

Councilmember Deady reported on the items discussed at the Planning and Community Services Committee meeting.

Councilmember Peterson updated everyone on additional information that was obtained regarding Lake Sawyer Regional Park.

Councilmember Reed reported on items discussed at the Budget, Finance, and Administration Committee meeting.

Councilmember Nielsen reported on items to bring forward at the next Public Safety Committee meeting.

DEPARTMENT REPORTS:

CONSENT AGENDA:

Councilmember Deady **moved** to approve the Consent Agenda; **second** Councilmember Peterson. Motion **passed** with all voting in favor (6-0). The Consent Agenda was approved as follows:

1) **Claim Checks –** September 1, 2026, Check No. 57670 through Check No. 57721 and EFTs in the amount of $349,950.98

2) **Minutes –** Special Meeting of August 18, 2026, Council Meeting of August 18, 2026

3) **AB26-108** – Resolution Authorizing Purchase of New Police Vehicle

4) **AB26-109** – Monthly Financial Report for June 2026

~~5) **AB26-110** – Resolution Regarding Utility Truck Purchase~~

PUBLIC HEARINGS: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

6) **AB26-111** – Resolution Authorizing Design Contract with Parametrix, Inc., for the Ginder Creek Trails Project

Public Works Director Hanis shared information on this item.

Councilmember Peterson **moved** to adopt Resolution No. 26-1773, authorizing the Mayor to execute a professional services agreement with Parametrix, Inc, for the Ginder Creek Trails project; **second** Councilmember Reed. Motion **passed** with all voting in favor (6-0).

7) AB26-112 – Ordinance Amending Chapter 10.32 and 10.34 of the Black Diamond Municipal Code Regarding Penalty Amounts and Permitted Uses

Commander Martinez shared the changes to the ordinance with the Council.

Councilmember Reed **moved** to adopt Ordinance No. 26-1257 amending Black Diamond Municipal Code Chapter 10.32 as shown in attachment A; Chapter 10.34 as shown in attachment B, providing for severability; and establishing an effective date; **second** Councilmember Young. Motion **passed** with all voting in favor (6-0).

8) AB26-113 – Ordinance Regarding (BESS) Battery Energy Storage System Interim Zoning Controls

Assistant Planner/Permit Tech Zielinski provided an update on this item.

There was discussion on the proposed residential carve out, with consensus to have it at 20 kilowatts rather than the 15 kilowatts proposed in the ordinance.

Councilmember Peterson **moved** to adopt Ordinance No. 26-1258 establishing an extension of interim zoning controls to prohibit the siting of battery energy storage within the City for a period of six months, with a carve out for BESS systems of 20 kilowatts or less; providing for severability; and establishing an immediate effective date if approved by a majority-plus-one of the Council; **second** Councilmember Reed.

City Attorney Linehan outlined for the record the changes in the ordinance that need to reference 20 kilowatts.

Motion **passed** with all voting in favor (6-0).

MAYOR'S REPORT:

Mayor Adler reported attending the Key Bank ribbon cutting ceremony and noted it was great to see such a large turnout as well as Councilmember Deady. He mentioned that during the ceremony Key Bank was generous to hand out two large donations of 10,000 to the Black Diamond Community Center and Black Diamond Historical Society. He thanked Key Bank for joining our community in such a strong way and giving back in the manner that they did.

COUNCIL REPORTS:

Councilmember Young thanked the four residents for coming out and discussing the traffic issues in areas of Black Diamond. He noted that some traffic calming measures should be looked at. He shared that a good time to bring this up is during the public comment period when notices go up and go directly to the Hearing Examiner and the developer which could possibly lead to a traffic mitigation before bequeathing these roads to the city.

Councilmember Dal Santo complimented the residents for coming out to address the safety concerns. He wondered if there was any pressure on the developer to correct some of these and what their responsibility is since they have vested plats.

Councilmember Reed thanked the residents for coming out and speaking about the troubles in their neighborhoods and he stated that it was nice to see new faces as well as the old ones.

Councilmember Deady reminded everyone that Labor Days is coming up this Sunday and Monday and noted the activities for each day. She reported attending the Key Bank ribbon cutting and shared that the Mayor did a great job with his speech. She noted hearing the concerns out at Ten Trails and commented that OakPointe listens to these as well and everyone is trying to figure out how to solve these issues. She also mentioned regarding Lake Sawyer Regional Park, for staff to look at other siting options that we could explore and come back with that information.

Councilmember Nielsen - no report.

Councilmember Peterson - no report.

CITY ADMINISTRATOR REPORT:

City Administrator O'Neill reported that staff is excited about Labor Days and will have a booth, and invited Councilmembers to join staff at the booth. He shared that the scope of work for the comp plan went out yesterday, and staff is making a lot of progress on the budget with the process being more interactive for Council. Lastly, he began talks with the City Managers from Maple Valley and Covington to form an agenda for the Tri-City meeting. He mentioned that it's our turn to host this meeting and he is working on a venue to hold it here in Black Diamond in February.

ATTORNEY REPORT: None

PUBLIC COMMENTS: None

EXECUTIVE SESSION: Potential Real Estate Acquisition Pursuant to RCW 42.30.110(1)(b)

At 8:43 p.m. Mayor Adler announced that Council would be going into executive session pursuant to RCW 42.30.110(1)(b) for potential real estate acquisition. The executive session was anticipated to last 20 minutes with no action to follow.

At 9:03 p.m. Mayor Adler called the meeting back to order.

ADJOURNMENT:

Councilmember Peterson **moved** to adjourn the meeting; **second** Councilmember Deady. Motion **passed** with all voting in favor (6-0). The meeting ended at 9:03 p.m.

ATTEST:

______________________________	______________________________
John Adler, Mayor	Brenda L. Martinez, City Clerk

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION

SUBJECT: Authorization to purchase a Chevrolet 1500 Utility Truck or similar for the Public Works Department	**Agenda Date: September 15, 2026**	**AB26-116**
	Mayor John Adler	
	City Administrator - Kevin O'Neill	
	City Attorney - David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev – Hal Hart	
	Finance – Xavier Mason	
	MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): $67,500	Police – Chief Kiblinger	
Fund Source: PW Equipment Replacement	Public Works – Scott Hanis	X
Timeline: September 2026	Court – Judge Swain/Tawnya Parks	

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Resolution; Sample Quote

SUMMARY STATEMENT:

Public Works has planned and budgeted to replace a utility truck this year. One truck is now at the end of its useful life and will need to be surplused. Staff had explored purchasing the larger Chevrolet 2500, but the maintenance team would prefer a smaller truck for this purchase. Some of these trucks can be available on state bid or other cooperative purchasing contract, however, Public Works does solicit quotes to get the best deal.

This utility truck will need to be outfitted with a utility truck box or other locking toolboxes, along with emergency lights and other truck needs, after purchase. The overall cost impact includes the price of the truck. The truck listed in the sample quote attached might be available to us but shows the potential cost for just the truck ($54,574.76).

FISCAL NOTE (Finance Department): The 2026 budget has sufficient funds in the Public Works Equipment Replacement Fund to cover this purchase.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:
Public Works Committee recommends consideration by the full City Council on the consent agenda.

RECOMMENDED ACTION: **MOTION to adopt Resolution No. 26-1772 authorizing the purchase of a 2026 Chevrolet Silverado 1500 or similar, along with associated equipment, in an amount not to exceed $67,500.**

RECORD OF COUNCIL ACTION

Meeting Date	*Action*	*Vote*
September 1, 2026	Pulled from Agenda	
September 15, 2026		

RESOLUTION NO. 26-1772

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON AUTHORIZING THE PURCHASE OF A 2026 CHEVROLET SILVERADO 1500 OR SIMILAR FOR USE BY THE PUBLIC WORKS DEPARTMENT

WHEREAS, the Public Works Department needs to replace one of its utility trucks; and

WHEREAS, the 2026 Public Works equipment budget anticipated and has sufficient funds to cover the purchase of a new utility truck; and

WHEREAS, staff solicited quotes for Chevrolet Silverado 1500s; and

WHEREAS, pickup trucks can sell quickly before City Council authorization is obtained; and

WHEREAS, the new utility truck will need to be outfitted with necessary equipment, such as toolboxes, emergency lights, etc.; and

WHEREAS, Public Works staff requests authorization to purchase a new utility truck, which cost will include necessary equipment, for an amount up to $67,500 as trucks become available from dealerships;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is hereby authorized to purchase a new utility truck along with necessary equipment for the Public Works Department in an amount not to exceed $67,500.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 15TH DAY OF SEPTEMBER, 2026.

CITY OF BLACK DIAMOND:

____

John Adler, Mayor

Attest:

____

Brenda L. Martinez, City Clerk

Outlook

Fw: Vehicle Quote - 2026-8-405 - BLACK DIAMOND, CITY OF - 21705

From Patrick Thill <patrick.thill@budclary.com>
Date Thu 8/27/2026 11:55 AM
To Kevin Esping <kesping@blackdiamondwa.gov>

Hello,

My commercial guy has this build he will let me sell it but I cannot hold it these things sell really fast.

Pat Thill
Fleet Sales Manager
Bud Clary Chevrolet
1030 Commerce Ave
Longview, WA 98632
Phone: 360-423-1700
www.budclary.com

From: NOREPLY@des.wa.gov <NOREPLY@des.wa.gov>
Sent: Thursday, August 27, 2026 11:54 AM
To: Patrick Thill <patrick.thill@budclary.com>
Cc: descarssystem@des.wa.gov <descarssystem@des.wa.gov>
Subject: Vehicle Quote - 2026-8-405 - BLACK DIAMOND, CITY OF - 21705

Vehicle Quote Number: 2026-8-405 Create Purchase Request View organization purchase requests

This is a **quote** only. You must create a purchase request to order this vehicle(s)

Contract & Dealer Information

Contract #:	28423		
Dealer:	Bud Clary Chevrolet (W262)	Dealer Contact:	Becky Davis
		Dealer Phone:	(360) 423-1700

Organization Information

Organization:	BLACK DIAMOND, CITY OF - 21705
Email:	patrick.thill@budclary.com
Quote Notes:	
Vehicle Location:	BLACK DIAMOND

Color Options & Qty

(GAZ)SUMMIT WHITE - 1

Tax Exempt: N

Vehicle Options

Order Code	Option Description	Qty	Unit Price	Ext. Price
2026-08025-0001	2026 CHEVY SILVERADO 1500 4WD WT	1	$40,475.00	$40,475.00
2026-08025-0010	2026 Chevy Silverado (CK10743) 4WD CREW CAB 157WB WORK TRUCK	1	$3,108.00	$3,108.00
2026-08025-0013	(L84)Engine, 5.3L EcoTec3 V8 (355 hp [265 kW] @ 5600 rpm, 383 lb-ft of torque [518 Nm] @ 4100 rpm); featuring available Dynamic Fuel Management that enables the engine to operate in 17 different patterns between 2 and 8 cylinders, depending on demand, to optimize power delivery and efficiency(INCLUDES: (G80) auto-locking differential on CK10543 Crew Cab models. Not available with CK10703 Regular Cab model.)INLUCDES:Cooling, auxiliary external transmission oil cooler , Rear axle, 3.23 ratio , Cooling, external engine oil cooler , Alternator, 170 amps	1	$2,945.00	$2,945.00
2026-08025-0021	(PEB)WT Value Package Includes (PCV) WT Convenience Package and (Z82) Trailering Package(Not available with (ZLQ) WT Fleet Convenience Package or (ZW9) pickup bed delete.)*GROSS*	1	$1,190.00	$1,190.00
2026-08025-0022	(PQA) WT Safety Package Includes (UD5) Front and Rear Park Assist, (UKC) Lane Change Alert with Side Blind Zone Alert, (UFB) Rear Cross Traffic Alert Braking, (V46) Chrome front bumper, (VJH) Chrome rear bumper and (DP6) high gloss Black mirror caps(Includes (U12) Perimeter Lighting.Requires (ZLQ) WT Fleet Convenience Package, (PCV) WT Convenience Package or (PEB) WT Value Package and (KI4) 120-volt power outlet.Not available with (DPO) trailer mirrors or (ZW9) pickup bed delete.)	1	$940.00	$940.00
2026-08025-0024	(G80)Auto-locking rear differential (Required with (L84) 5.3L EcoTec3 V8 engine when (Z82) Trailering Package is ordered. Included with (Z71) Z71 Off-Road Package or (9C1) Police Pursuit Package.)	1	$395.00	$395.00
2026-08025-0025	(JL1)Trailer brake controller, integrated (Requires (Z82) Trailering Package.)	1	$275.00	$275.00
2026-08025-0036	(KI4)Power outlet, interior power outlet, 120-volt (400 watts shared with (KC9) bed mounted power outlet)(Requires (QT5) EZ Lift power lock and release tailgate.	1	$225.00	$225.00
2026-08025-0045	(QT5)Tailgate, gate function manual with EZ Lift includes power lock and release	1	$150.00	$150.00
2026-08025-0052	Stock Vehicle Upcharge (Call dealer for availability before ordering) (DLR)	1	$250.00	$250.00
2026-08025-0055	Delivery to customer location in Northwest Washington (counties of: Clallam, Island, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Whatcom) (DLR)	1	$300.00	$300.00

Catalytic Converter Marking

Our organization declines catalytic converter marking

Quote Totals

Total Vehicles:	1
Sub Total:	$50,253.00

8.6 % Sales Tax:	$4,321.76
Quote Total:	$54,574.76

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION

SUBJECT: **Resolution authorizing the acceptance of funding reimbursement agreement between the Washington State Administrative Office of the Courts (AOC) and Black Diamond Municipal Court for Interpreter Services.**	**Agenda Date: September 15, 2026**	**AB26-117**
	Mayor John Adler	
	City Administrator - Kevin O'Neill	
	City Attorney - David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev –Hal Hart	
	Finance – Xavier Mason	
	MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): $3,506	Police – Chief Kiblinger	
Fund Source: Administrative Office of the Court (AOC) AOC3542	Public Works – Scott Hanis	
Timeline: July 01,2026 to June 30, 2027	Court – Judge Swain/Tawnya Parks	X

Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator

Attachments: Resolution, Reimbursement Agreement

SUMMARY STATEMENT:
Request that the City accept funding for interpreter services reimbursements up to the amount of $3,506.00

These funds are intended to address the court's following needs:

1. Financial Need – i.e., the gap between the court's available financial resources and the costs to meet its need for credentialed, and qualified interpreters, and the implementation of the Court's language access plan; and
2. Need for Court Interpreters – i.e., the public's right to access the court, and the court's responsibility to provide court credentialed, and qualified interpreters as required by RCW Chapters 2.42 and 2.43.
3. Need for Language Access in General – i.e., translations, customer service, technology enabling remote interpreting, and other necessities for court to provide fair and equitable access justice for limited language

FISCAL NOTE (Finance Department): This resolution would approve interpreter costs up to the amount of $3,506 from the Administrative Office of the Courts.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **MOTION to adopt Resolution No. 26-1774, authorizing the acceptance of interpreter funds reimbursements from the Administrative Office of the Courts and allow Court Administrator, Tawnya Parks to execute**

Agreement AOC3542 with the Washington State Administrative Office of the Courts for the Interpreter Services Reimbursement Program.

RECORD OF COUNCIL ACTION		
Meeting Date	***Action***	***Vote***
September 15, 2026		

RESOLUTION NO. 26-1774

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON AUTHORIZING THE CITY COUNCIL TO ACCEPT THE ALLOCATED FUNDS AND AUTHORIZING COURT ADMINISTRATOR, TAWNYA PARKS TO SIGN THE AGREEMENT WITH THE ADMINISTRATIVE OFFICE OF THE COURTS FOR AN INTERPRETER SERVICES REIMBURSEMENT PROGRAM

WHEREAS, the Black Diamond Municipal Court applied for reimbursement of funds with the Administrative Office of the Courts for Interpreter Services; and

WHEREAS, the Administrative Office of the Courts awarded Black Diamond Municipal Court funds to be used to reimburse funds for interpreter services before Black Diamond Municipal Court; and

WHEREAS, funding begins July 1, 2026, and continues through June 30, 2027. At that time, the court will have the opportunity to continue this funding request;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Council hereby accepts the Administrative Office of the Court's reimbursement in funds up to $3,506.00

Section 2. Court Administrator, Tawnya Parks is authorized to execute this Agreement AOC3542 between the Washington State Administrative Office of the Courts and the Black Diamond Municipal Court for the Interpreter Reimbursement Program.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 15TH DAY OF SEPTEMBER, 2026.

CITY OF BLACK DIAMOND:

____

John Adler, Mayor

Attest:

____

Brenda L. Martinez, City Clerk

INTERAGENCY AGREEMENT

BETWEEN

WASHINGTON STATE ADMINISTRATIVE OFFICE OF THE COURTS

AOC3542

AND

BLACK DIAMOND MUNICIPAL COURT

FOR

LANGUAGE ACCESS AND INTERPRETER REIMBURSEMENT PROGRAM (LAIRP)

1. PARTIES TO THE AGREEMENT

This Interagency Agreement is made and entered into by and between the State of Washington acting by and through the Washington State Administrative Office of the Courts, hereinafter referred to as "AOC or Procuring Agency," and Black Diamond Municipal Court , referred to as "Court". The AOC and the Court may be referred to individually as a "Party" and collectively as the "Parties".

2. DEFINITIONS

For purposes of this agreement, the following definitions shall apply:

a. "Credentialed Interpreter" means an interpreter who is Credentialed by the Administrative Office of the Courts, as defined in RCW 2.43.020 (1) or an interpreter certified by the Office of the Deaf and Hard of Hearing (ODHH) pursuant to WAC 388-818-500, *et. seq*. The names and contact information of AOC-certified interpreters are found, and incorporated herein by reference, at http://www.courts.wa.gov/programs_orgs/pos_interpret/ The names and contact information of ODHH-certified interpreters are found, and incorporated herein by reference, at: https://fortress.wa.gov/dshs/odhhapps/Interpreters/CourtInterpreter.aspx

b. "Qualified Interpreter" means a non-credentialed interpreter who is qualified on the record by a judicial officer.

c. "Legal proceeding" means any proceeding in any court, and in any type of hearing before a judicial officer, an administrative law judge, or before an administrative board, commission, agency, or licensing body of the state or any political subdivision, as defined in RCW 2.43.020 (4).

d. "Qualifying Event" means a proceeding or event for which an interpreter is appointed by an appointing officer pursuant to RCW 2.42 and/or RCW 2.43.

3. PURPOSE

The purpose of this Agreement is to partner with individual local courts in improving access to the Court for Limited English Proficient (LEP), deaf, hard of hearing, and deaf/blind (D/HH/DB) individuals in accordance with RCW Chapters 2.42 and 2.43.

a. These funds are intended to address each court's following needs:
   i. Financial Need – i.e., the gap between the court's available financial resources and the costs to meet its need for credentialed, and qualified interpreters, and the implementation of the Court's language access plan; and
   ii. Need for Court Interpreters – i.e., the public's right to access the court, and the court's responsibility to provide court credentialed, and qualified interpreters as required by RCW Chapters 2.42 and 2.43.

Need for Language Access in General – i.e., translations, customer service, technology enabling remote interpreting, and other things that are necessary for courts to provide fair and equitable access for LEP and D/HH/DB individuals.

THEREFORE, IT IS MUTUALLY AGREED THAT:

4. STATEMENT OF WORK

The Court shall:

a. Ensure that the interpreter funding is used only for language access purposes and for reimbursement of costs paid to credentialed and qualified interpreters for Qualifying Events pursuant to **Appendix A**, which is incorporated in this agreement.
b. Track and provide interpreter cost and usage data through the web application provided by the AOC LAIRP, reflecting information about the Court's interpreter and language access costs and services.
c. Provide the AOC Project Manager with a list of all users who require access to submit data to the Language Access and Interpreter Reimbursement Program web application.
d. Work with the AOC Language Access Team, the Interpreter and Language Access Commission, and neighboring courts to identify and implement best and promising practices for providing language access and interpreter services.
e. Encourage its staff overseeing interpreter services at the court to attend trainings (in person and/or online) provided by the AOC Interpreter and Language Access Commission and Language Access Team.
f. Elect to pay for interpreter services, if necessary, that are not in accordance with the provisions of **Appendix A** as set forth; while such payments will not be reimbursed, Court still commits to entering data into the application for these interpreter services, irrespective of their eligibility for reimbursement.

g. Have a Language Access Plan (LAP) in place to receive reimbursement funds under this program.
    i. The Court must submit the most recent version of their LAP to the AOC Project Manager.
        a. Court that submitted an approved LAP in FY2026 is deemed in compliance with this program requirement and does not need to submit a new plan for FY2027.
        b. Court that did not submit a LAP in FY2026 must submit the LAP to the AOC Project Manager at LAP@courts.wa.gov by **December 1, 2026.**
    ii. The Court agrees to work with the AOC LAP Coordinator to update and revise the LAP for final approval by the AOC.
    iii. The Court certifies that they will exercise reasonable due diligence in maintaining and updating their LAP as required by law.

5. PERIOD OF PERFORMANCE

Subject to its other provisions, the period of performance of this Agreement shall commence on **July 1, 2026**, and end on **June 30, 2027**, unless terminated sooner or extended, as provided herein.

6. COMPENSATION

AOC will reimburse the Court a total compensation not to exceed **$3,506** for payments made during the period from **July 1, 2026**, through **June 30, 2027**, related to the purpose of this agreement.

Procuring Agency may extend the term of this Contract or increase funds by mutual written amendment. Such amendment shall be on the same terms and conditions as set forth in this Contract.

7. INVOICES; BILLING; PAYMENT

The Court will submit properly prepared itemized invoices quarterly through the web application on an A19 form to AOC Program Manager. The Data shall be submitted electronically to the AOC as described in Subsection 4.b., above, and in conjunction with the quarterly invoice. The Court shall maintain sufficient backup documentation of expenses under this Agreement observing the following:

a. The Court shall receive payment for its costs for interpreter and language access services as set forth in **Appendix A** and incorporated herein.
b. The Court shall not be reimbursed for interpreter services costs for Qualifying Events or other goods and services set forth in **Appendix A** until properly completed A19 invoices, corresponding data (*See subsection 4.b.*), and the AOC

approved LAP (*See subsection 4.g.*), are received and approved by AOC, pursuant to the following schedule:

i. Reflecting Qualifying and non-qualifying Events and any goods or services purchased, between July 1, 2026, and September 30, 2026, must be received by the AOC no later than December 31, 2026.
ii. Reflecting Qualifying and non-qualifying Events and any goods or services purchased, between October 1, 2026, and December 31, 2026, must be received by the AOC no later than February 28, 2027.
iii. Reflecting Qualifying and non-qualifying Events and any goods or services purchased, between January 1, 2027, and March 31, 2027, must be received by the AOC no later than April 30, 2027.
iv. Reflecting Qualifying and non-qualifying Events and any goods or services purchased, between April 1, 2027, and June 30, 2027, must be received by the AOC no later than July 15, 2027.

c. The Court shall submit documents related to reimbursement claims upon request by the AOC, including but not limited to translated materials or invoices for goods and services.

d. The Court shall make reasonable efforts to submit invoices by the due date. Any supplemental invoices submitted after the due date must be reported to the AOC for approval, which may be processed at the discretion of the AOC Project Manager.

e. Payment to Court for approved and completed work will be made by warrant or account transfer by AOC within 30 days after each quarterly deadline, provided that the invoice and data report are complete and accurate.

Incorrect or incomplete A19s shall be returned by AOC to the Court for correction and resubmission.

f. Payment will be considered timely if made by the AOC within thirty (30) calendar dates after each quarterly deadline. No A19 shall be submitted until after a deliverable has been accepted by the AOC Program Manager.

The AOC will not make any advanced payments or payments in anticipation of services or supplies under this Contract.

8. REVENUE SHARING

a. AOC, in its sole discretion, may initiate revenue sharing. If AOC determines the Court may not spend all funds or spend more funds available under the Agreement, then AOC may reduce or increase the Agreement amount. AOC PM will notify the Court that funding will be reallocated.

b. If the AOC initiates revenue sharing, then the Court must submit the final revenue sharing A19 to AOC Program Manager by July 15, 2027.

9. AGREEMENT MANAGEMENT

The Program Manager and Court Program Manager noted below shall be responsible for and shall be the contact people for all communications and billings regarding the performance of this Contract. The parties may change administrators by written notice.

AOC Program Manager	Court Program Manager
Tae Yoon PO Box 41170 Olympia, WA 98504-1170 Interpreterreimbursement@courts.wa.gov (360) 705-5281	**Tawnya Parks** Court Administrator 25510 Lawson Street Black Diamond, WA 98010 tparks@blackdiamondwa.gov (360) 851-4490

10. RECORDS, DOCUMENTS, AND REPORTS

a. Records Retention. The Court shall maintain books, records, documents and other evidence of accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract. These records shall be subject at all reasonable times to inspection, review, or audit by personnel duly authorized by the AOC, the Office of the State Auditor, and federal officials so authorized by law, rule, regulation, or contract. The Court will retain all books, records, documents, and other material relevant to this contract as required, a minimum of six (6) years after end of period of performance (including all amendments to extend) or termination of the agreement or as otherwise specified and make them available for inspection by persons authorized under this provision. If any litigation, claim, or audit is commenced prior to the expiration of the required retention period, such period shall extend until all such litigation, claims, or audits have been resolved.

b. Public Records. It is the policy of the Administrative Office of the Courts to facilitate access to its administrative public records. This Agreement and related records are subject to disclosure under General Court Rule 31.1. For additional information, please contact the AOC Public Records Officer.

11. RIGHTS IN DATA

Unless otherwise provided, data which originates from this Agreement shall be "works for hire" as defined by the U.S. Copyright Act of 1976 and shall be owned by the AOC. Data shall include, but not be limited to, reports, documents, pamphlets, advertisements, books magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights.

12. RESPONSIBILITY OF THE PARTIES

Each party to this Agreement assumes responsibility for claims and/or damages to persons and/or property resulting from any act or omission on the part of itself, its employees, or its agents. Neither party assumes any responsibility to the other party for any third-party claims.

13. DISPUTE RESOLUTION

To the extent practicable, the Parties shall use their best, good faith efforts cooperatively and collaboratively to resolve any dispute that may arise in connection with this Agreement as efficiently as practicable, and at the lowest possible level with authority to resolve such dispute. The Parties shall make a good faith effort to continue without delay to carry out their respective responsibilities under this Agreement while attempting to resolve any such dispute. If, however, a dispute persists and cannot reasonably be resolved, it may be escalated within each organization. In such circumstance, upon notice by either party, each party, within five (5) business days shall reduce its description of the dispute to writing and deliver it to the other party. The receiving party then shall have three (3) business days to review and respond in writing. In the event the parties cannot agree on a mutual resolution within fifteen (15) business days, the parties shall appoint a member of a dispute resolution board within Thurston County, and those two appointed members will select a third. The Board shall employ dispute resolution measures and its result is binding. Both parties agree that the existence of a dispute notwithstanding, the Parties will continue without delay to carry out all respective responsibilities under this Agreement that are not affected by the dispute.

14. GENERAL PROVISIONS

a. Amendment or Modification. Except as set forth herein, this Agreement may not be amended or modified except in writing and signed by a duly authorized representative of each party hereto. In revenue sharing procedures AOC will issue a unilateral amendment.

b. Appendix. All appendices referred to herein are deemed to be incorporated in this Agreement in their entirety.

c. Assignment. The work to be provided under this Agreement, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

d. Authority. Each party to this Agreement, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this Agreement and that its execution, delivery, and performance of this Agreement has been fully authorized and approved, and that no further approvals or consents are required to bind such party.

e. Captions & Headings. The captions and headings in this Agreement are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this Agreement nor the meaning of any provisions hereof.

f. Conformance. If any provision of this Agreement violates any statute or rule of law of the State of Washington, it is considered modified to conform to that statute or rule of law.

g. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Agreement at different times and places by the Parties shall not affect the validity thereof so long as all the Parties hereto execute a counterpart of this Agreement.

h. Electronic Signatures. An electronic signature or electronic record of this Agreement or any other ancillary agreement shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement or such other ancillary agreement for all purposes.

i. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the Parties with respect to the subject matter and supersedes all prior negotiations, representations, and understandings between them. There are no representations or understandings of any kind not set forth herein.

j. Governing Law. The validity, construction, performance, and enforcement of this Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its choice of law principles that would provide for the application of the laws of another jurisdiction.

k. Independent Capacity. The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

l. Jurisdiction & Venue. In the event that any action is brought to enforce any provision of this Agreement, the parties agree to exclusive jurisdiction in Thurston

County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively at Olympia, Washington.

m. No Agency. The parties agree that no agency, partnership, or joint venture of any kind shall be or is intended to be created by or under this Agreement. Neither party is an agent of the other party nor authorized to obligate it.

n. Right of Inspection. The Court shall provide right of access to its facilities to the AOC, or any of its officers, or to any other authorized agent or official of the State of Washington at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this agreement.

o. Severability. If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of this Agreement are declared to be severable.

p. Termination for Cause. If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within 15 working days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

q. Termination for Convenience. Except as otherwise provided in this Agreement, either party may terminate this Agreement upon thirty (30) calendar days prior written notification. Upon such termination, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of such termination.

r. Termination for Non-Availability of Funds. AOC's ability to make payments is contingent on availability of funding. In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to completion or expiration date of this Agreement, AOC, at its sole discretion, may elect to terminate the Agreement, in whole or part, for convenience or to renegotiate the Agreement subject to new funding limitations and conditions. AOC may also elect to suspend performance of the Agreement until AOC determines the funding insufficiency is resolved. AOC may exercise any of these options with no notification restrictions, although AOC will make a reasonable attempt to provide notice.

In the event of termination or suspension, AOC will reimburse eligible costs incurred by the Court through the effective date of termination or suspension. Reimbursed costs must be agreed to by AOC and the Court. In no event shall AOC's reimbursement exceed AOC's total responsibility under the agreement and any amendments.

s. Suspension for Convenience. AOC may suspend this Agreement or any portion thereof for a temporary period by providing written notice to the Court a minimum of seven (7) calendar days before the suspension date. Court shall resume performance on the first business day following the suspension period unless another day is specified in writing by AOC prior to the expiration of the suspension period.

t. Waiver. A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.

EXECUTED AND EFFECTIVE as of the day and date first above written.

WASHINGTON STATE ADMINISTRATIVE OFFICE OF THE COURTS	Black Diamond Municipal Court LAIRP
Signature Date	Signature Date
Dawn Marie Rubio	**Tawnya Parks**
Name	*Name*
WA State Court Administrator / AOC Director	Court Administrator
Title	*Title*

APPENDIX A

WASHINGTON STATE LANGUAGE ACCESS AND INTERPRETER REIMBURSEMENT PROGRM FUNDING

FUNDING CONDITIONS AND PAYMENT STRUCTURE

The Language Access and Reimbursement Program funding conditions and payment structure shall be as follows:

1. **GENERAL FUNDING CONDITIONS**

   The Washington State Administrative Office of the Courts (AOC) will reimburse Courts under this Agreement for the cost of spoken language interpretation and sign language interpretation and other goods and services that improve language access in the courts for Limited English Proficient (LEP), deaf, and hard of hearing persons. This includes interpreters credentialed by AOC (certified or registered), or otherwise court-qualified interpreters appointed pursuant to RCW 2.42 and RCW 2.43 under the following conditions listed under Section 2 "Qualifying Interpreter Events."

   It also includes goods and services that improve language access, listed under Section 3 "Language Access Goods and Services".

   Courts shall work with AOC staff in determining whether an expense that is not explicitly mentioned below, qualifies as a reimbursable expense under the Agreement.

2. **QUALIFYING INTERPRETING EVENTS**

   A. Spoken Language Interpreters Qualifying Events

   AOC will reimburse the Court50% of the actual expenses for services of WA state AOC-credentialed or otherwise court-qualified interpreters pursuant to RCW 2.43 that meet one of the following conditions:

   a) If there is at least one WA state AOC credentialed interpreter in the language being used, then reimbursement will only be provided for using an AOC credentialed interpreter who is credentialed in that language.

   b) Compensation for interpreters for languages for which neither a certified interpreter nor registered interpreter is offered will be reimbursed where the interpreter has been qualified on the record pursuant to RCW 2.43.

   c) Courts will not be reimbursed for events using non-AOC credentialed interpreters if there is one or more WA state AOC credentialed interpreter listed for the language being used.

B. Sign Language Interpreters Qualifying Events

AOC will reimburse the Court 50% of the actual expenses for services of American Sign Language (ASL) interpreters and Certified Deaf Interpreters (CDI) pursuant to RCW 2.42 when the interpreter is listed with the Department of Social and Health Services, Office of Deaf and Hard of Hearing (DSHS, ODHH) as a court-certified interpreter.

The Office of Deaf and Hard of Hearing (ODHH) at the Department of Social and Health Services (DSHS) maintains a list of Certified Court Sign Language Interpreters. This list includes American Sign Language (ASL) interpreters and Certified Deaf Interpreters (CDI). To qualify for reimbursement, and event using an ASL and/or CDI interpreter from this list must be used.

Certified interpreters are listed under three categories:

- Specialist Certificate: Legal – SC: L
- RID Certification with SC: L written test
- Intermediary Interpreters (Deaf Interpreter)

The most up to date list can be found here: https://fortress.wa.gov/dshs/odhhapps/Interpreters/CourtInterpreter.aspx

C. Out of State Court Credentialed Interpreters Qualifying Events

AOC will reimburse the Court 25% of the actual expenses for services of out of state court credentialed or otherwise court-qualified interpreters pursuant to Exhibit I, Out of State Interpreter Reimbursement Policy, and Guidelines that meet all of the following conditions:

a) Interpreter service is provided for a designated High Priority Language.
b) Court has made reasonable efforts to secure a WA state court credentialed interpreter.
c) A WA state court credentialed interpreter was not reasonably available for the assignment.
d) The out of state interpreter holds credential status that aligns with WA state's court credential standards.
e) The out of state interpreter has been provided with the Code of Professional Responsibility for Judiciary Interpreters. (GR11.2)

D. Staff Interpreters (Salaried Staff)

Reimbursement will be provided for salaried staff meeting the Qualifying Event conditions for 50% of the payment of credentialed spoken and sign language interpreters, as referenced in subsections 2.A and 2.B above.

E. Telephonic and Video Remote Interpreting and Services for Legal Proceedings

AOC will reimburse 50% of the costs for using certified, registered, or otherwise qualified interpreters operating by telephone or video for court proceedings. The services must meet the Qualifying Event conditions for the payment of credentialed spoken and sign language interpreters, as referenced in subsections 2.A and 2.B above.

3. LANGUAGE ACCESS GOODS AND SERVICES

Courts can request reimbursement for 100% of the costs for goods and services that will help increase language access in the Court.

Courts shall submit documents related to reimbursement claims under goods and services, including original and translated materials for translation services, and applicable invoices for other goods and services, upon request by the AOC.

The items listed below are common goods and services that courts have used to increase language access and will be improved for reimbursement.

- Translation services
- Telephonic interpreter services for events outside of court proceedings
- Portable video device(s) for video remote interpreting
- Equipment used for simultaneous interpretation
- Staff training on language access, interpreting, or bilingual skills improvement
- Interpreter scheduling software fees
- Printed signage for language assistance purposes

Items or services not listed above must be pre-approved (via email) by Language Access and Interpreter Reimbursement Program Coordinator prior to purchase or they may not qualify for reimbursement under the Program.

4. SCOPE OF REIMBURSEMENT FUNDING

Reimbursement payment under this Agreement will only be made to the Court when the cost is paid out of the budget or budgets, in the case of multi-court collaborative applicants of the Court responsible for full payment.

5. PAYMENT STRUCTURE

A. Reimbursement Rate

a) Spoken Language Interpreters

AOC will reimburse the Court 50% of the cost of AOC credentialed, or otherwise court-qualified interpreters providing services under this Agreement.

b) **Sign Language Interpreters**

AOC will reimburse the Court 50% of the cost of certified interpreters providing services under this Agreement.

c) **High Priority Language Out of State Interpreters**

AOC will reimburse the Court 25% of the cost of court credentialed, or otherwise court-qualified interpreters that meet WA standards providing services under this Agreement.

d) **Staff Interpreters (Salaried Staff)**

AOC will reimburse the Court 50% of the cost of AOC credentialed staff interpreters.

e) **Contracted Interpreters**

The cost of credentialed or otherwise qualified contract interpreters who are paid other than on an hourly basis, for example, on a half-day or flat rate basis, will be reimbursed at 50%.

f) **Remote Interpreting**

AOC will reimburse the Court 50% of the cost of using credentialed or otherwise qualified interpreters providing interpretation by telephone or video for legal proceedings.

g) **Cancellation Fees**

AOC will reimburse the Court 50% of cancellation fees paid to interpreter.

h) **Goods and Services**

AOC will reimburse the Court 100% of the approved cost of goods and services related to language access in courts. These services must not be part of a legal court proceeding.

B. Travel Time and Mileage

AOC will reimburse the Court 50% of the cost of interpreter travel time and mileage.

Interpreter travel time is reimbursable if a required party fails to appear. “Failure to appear” means a non-appearance by the LEP or deaf or hard of hearing client, attorneys, witnesses, or any necessary party to a hearing, thereby necessitating a cancellation or continuance of the hearing. The Court can be reimbursed for 50% of the cancellation fees paid to the interpreter.

EXHIBIIT I

OUT OF STATE INTERPRETER REIMBURSEMENT POLICY

I. Policy Statement

The Language Access and Interpreter Reimbursement Program (LAIRP) establishes this policy to expand reimbursement eligibility for interpreter services provided by out of state court credentialed interpreters for designated High Priority Languages when a Washington state court credentialed interpreter is not readily available. Reimbursement is subject to the eligibility requirements, reimbursement rate, and other terms and conditions established in this policy.

II. Purpose

The purpose of this policy is to strengthen statewide language access support for Washington courts by establishing an equitable, sustainable, and data-driven framework for reimbursing eligible out of state interpreter services under LAIRP. The policy is designed to promote meaningful language access in courts by expanding reimbursement support while reaffirming Washington state court credentialed interpreters as the preferred resource whenever reasonably available.

III. Scope

This policy applies to:

- Courts participating in the LAIRP;
- Interpreter services provided by court credentialed out of state interpreters;
- Languages designated as High Priority Languages;
- Interpreter events occurring on or after July 1, 2026.

This policy does not apply to languages for which Washington state does not have a court credentialed interpreter. Reimbursement for interpreter services in those languages continues to be administered as outlined in the Interagency Agreement.

IV. Definitions

For the purpose of this policy:

Court Credentialed Interpreter means an interpreter who holds an active court interpreter credential issued by a state's administrative office of the courts or a nationally recognized credentialing body.

In State Court Credentialed Interpreter means an interpreter who acquired Washington state court credential (either certified or registered) by completing the steps required by Washington State Administrative Office of the Courts (AOC).

Out of State Court Credentialed Interpreter means an interpreter credentialed by another state's court system who does not currently hold a Washington state court interpreter credential through certification, registration, or reciprocity.

Reciprocity means the process by which an interpreter who is court credentialed in another state and in good standing may apply to obtain a court credentialed interpreter status in Washington state. Their credential was initially obtained from a non-Washington state and AOC grants reciprocity credentialing status through a requirement standard verification process.

High Priority Language means a language designated by the AOC as eligible for reimbursement under this policy based on an assessment of language access needs. A high priority language is identified as requiring additional reimbursement support to address a significant gap between language demand and interpreter supply.

Reasonable Effort means a documented process taken by the court to secure a Washington state court credentialed interpreter before utilizing an out of state court credentialed interpreter.

V. High Priority Languages

AOC shall annually designate High Priority Languages using LAIRP data and established evaluation criteria.

The criteria may include interpreter utilization, statewide interpreter availability, language demand, and other factors determined by the AOC to ensure equitable resource distribution.

High Priority Languages shall be reviewed periodically, and the list of included languages may be revised by AOC based on available data and program needs.

For Fiscal Year 2027, the following languages are designated as High Priority Languages.

Certified Languages	Registered Languages
Arabic Hmong	Burmese Dari Hungarian Kurdish - Kurmanji Laotian Marshallese Nepali Swahili Tigrinya Ukrainian Urdu

VI. Eligibility Requirements

To qualify for reimbursement, all of the following conditions must be met:

A. Interpreter service is provided for a designated High Priority Language.
B. Court has made reasonable efforts to secure a Washington state court credentialed interpreter.
C. A Washington state court credentialed interpreter was not reasonably available for the assignment.
D. The out of state interpreter holds credential status that aligns with Washington state's court credential standards.
E. The out of state interpreter has been provided with the Code of Professional Responsibility for Judiciary Interpreters (GR11.2).

VII. Court Responsibilities

To claim reimbursement for interpreter services provided by an out of state interpreter, the Court is responsible for:

A. Verifying the out of state interpreter's credential based on the Out of State Interpreter Credential Verification Guideline (Exhibit II).
B. Providing the interpreter with the Code of Professional Responsibility for Judiciary Interpreters (GR11.2).
C. Attesting interpreter's court credential status through the LAIRP application portal.
D. Maintaining documentation supporting eligibility requirements.

E. Submitting complete, accurate, and timely invoices in accordance with LAIRP requirements and applicable deadlines.

At any point, if an interpreter's credential attestation is determined to be inaccurately reported by the court even after the invoice has been paid, AOC reserves the right to revoke the reimbursement approval. In such cases, if reimbursement has occurred, courts shall be required to return the applicable reimbursement payment to AOC.

VIII. Reimbursement

Subject to court's available budget and overall program funds, LAIRP shall reimburse twenty-five percent (25%) of the total out of state interpreter services eligible expenses. Reimbursement rate may be revised at the discretion of the AOC to meet program needs.

Eligible expenses include:

A. Interpreter service fees;
B. Travel expenses, including accommodation, mileage, per diem, and other travel related costs consistent with applicable Washington state travel regulations; and
C. Other AOC pre-approved expenses directly related to the provision of interpreter services.

Reimbursement may be limited by reimbursement caps, program funding, or other fiscal requirements established by the AOC.

IX. Exceptions

AOC may approve exceptions to the policy on a case-by-case basis to support critical language access needs.

Requests for exception shall be submitted in writing prior to scheduling the interpreter.

Courts may submit the request to the Program Manager, Tae Yoon at tae.yoon@courts.wa.gov.

X. Review and Updates

AOC may periodically review this policy to ensure continued alignment with program objectives, statewide interpreter needs, and fiscal sustainability.

Revisions may be adopted as necessary. AOC shall notify the courts via email notification of any revisions.

EXHIBIT II

OUT OF STATE INTERPRETER CREDENTIAL VERIFICATION

I. Purpose

This document provides Washington courts with standardized procedures for implementing the Out of State Interpreter Reimbursement Policy. Its purpose is to ensure that language access provided by out of state court credentialed interpreters meets established Washington state standards and qualifications. It serves as a step-by-step resource for courts to verify out of state court interpreter credentials, document compliance with policy requirements, and submit reimbursement requests under the Language Access and Interpreter Reimbursement Program (LAIRP).

II. Washington State Court Credentialed Standards

Washington state has two court credential types depending on the language:

- Certified Interpreter
- Registered Interpreter

In order for an interpreter to be credentialed in Washington state, the interpreter must:

1. Successfully pass the National Center for State Courts (NCSC) written exam with a minimum score of 80% or higher
2. Complete the interpreter orientation provided by the AOC
3. Successfully pass the oral requirement
   - Certified Interpreter: A passing score of 70% or higher on the NCSC oral exam on all three sections; sight, consecutive, and simultaneous interpretation
   - Registered Interpreter: English Oral Proficiency Interview (OPI) score 49 and above, Foreign Language OPI score superior and above from WA AOC approved testing companies for languages that do not have an NCSC oral exam
4. Complete the mandatory Ethics and Protocol Training provided by the AOC
5. Successfully pass a background check performed by WA State Patrol and complete the Interpreter Oath

WA state court credentialed interpreters need to fulfill a biennial compliance requirement to maintain an active WA AOC credential status.

An interpreter who acquired credential status originally in another state may become court credentialed in Washington state once they complete the required reciprocity process. In such case, the interpreter is considered a Washington state court credentialed interpreter regardless of their current place of residence.

III. Verifying an Out of State Court Interpreter Credential

Prior to scheduling an out of state interpreter, the Court is responsible for verifying the interpreter's credentials. Because credentialing systems vary among states, courts should further verify that the interpreter's credential in another state aligns with Washington state credential standards.

The following process is intended to assist courts in completing the interpreter credential verification;

Step 1- Identify Language

Identify language and determine whether it is considered a certified or registered language. A list of credentialed languages can be found on the AOC website.

Step 2 - Identify Interpreter's Credential

- Identify the interpreter's credential type and the issuing state.
- Credential types across states include, but are not limited to, Master, Certified, Registered, Qualified, Conditionally Approved, Advanced, Journey, Provisionally Approved, Authorized, Proficient.

Step 3 - Verify the Credential

Verify whether the credential is active and in good standing. This may be completed by:

- Checking the official court interpreter registry maintained by the issuing state. Courts may refer to each state's interpreter roster link, if available, on the Nationwide Interpreter Resource List (Exhibit III).
- Contacting a court from the issuing state the interpreter has worked in.
- Requesting official documentation issued by the credentialing authority.

Step 4 - Evaluate Credential Equivalency to Washington standards

Evaluate whether the interpreter's credential from the issuing state is comparable to Washington state court credential standards outlined in Section II.

- When making this determination, courts should evaluate the credentialing requirements as a whole.
- Difference in credential types, titles, or structure does not necessarily indicate that a credential is not comparable to Washington standards.

Similarly, the use of the same credential title such as ‘certified’ or ‘registered’ does not automatically mean that the credential is equivalent to Washington state’s credential requirements.

- Courts may refer to each state’s language access website link on the Nationwide Interpreter Resource List (Appendix B).
- If additional guidance is needed regarding a credential or an unfamiliar credentialing structure, courts may contact the AOC Language Access team before scheduling the interpreter and submitting a reimbursement request.

Step 5- Maintain Documentation

Retain any documentation supporting the credential verification process.

- Documentation may include registry searches, credential verification records, correspondence, or other information used during the verification process.
- Courts may be requested to provide supporting documentation as part of the LAIRP reimbursement review or program administration.

IV. Submitting Reimbursement Request

To request reimbursement, Courts must report the interpreter event through the LAIRP application portal in accordance with established reporting procedures.

Specifically, to claim reimbursement under the Out of State Interpreter Reimbursement Policy, Court shall attest that:

- The out of state interpreter’s credential has been verified.
- Interpreter’s credentials align with Washington state standards.
- A Washington state court credentialed interpreter was not reasonably available for the interpreter event.

By submitting the reimbursement request and required attestation, the Court certifies that the verification was completed in accordance with these guidelines and necessary supporting documentation has been retained. Courts are not required to submit supporting documentation through the LAIRP application portal.

EXHIBIT III

NATIONWIDE INTERPRETER RESOURCE LIST

This list can also be found on the LAIRP Application Portal

The links provided below are intended as a general reference to assist courts in locating publicly available information about interpreter rosters and language access websites in other states. These links are maintained by each state and may change without notice. Courts should verify interpreter credentials, qualifications, and other applicable requirements directly with the relevant state.

State	Interpreter Roster	Website
Alabama	Alabama Administrative Office of Courts	Alabama Administrative Office of Courts
Alaska	Verification by email	Language Interpreter Services - Alaska Court System
Arizona	Verification by email	AZCourts.gov > Arizona Language Access Information and Interpreter Resources
Arkansas	https://arcourts.gov/directories/court-interpreters-registry	Office of Court Interpreter Services (OCIS) | Arkansas Judiciary
California	Search for an Interpreter | Language Access Services	Home | Language Access Services
Colorado	Managing & Staff Interpreter Contact Information	Interpreters & Translators | Colorado Judicial Branch
Connecticut	Verification by email	Limited English Proficiency - CT Judicial Branch
Delaware	Available upon request	Delaware Court Interpreter Program - Administrative Office of the Courts - Delaware Courts - State of Delaware
Florida	Certified Interpreter Registry / Find an Interpreter / Court Interpreting / Court Services / Services - - Florida Courts	Court Interpreting / Court Services / Services - - Florida Courts
Georgia	gcr.onegovcloud.com/public/directory/	Committee on Interpreters – Office of Court Professionals

Hawaii	Find a Court Interpreter Hawaii	Judiciary | Judiciary Language Assistance Policy
Idaho	https://isc.idaho.gov/administrative/rosters/other-court-rosters	https://isc.idaho.gov/about-the-courts/language-access
Illinois	Illinois Interpreter Registry	Find a Language Interpreter/Language Access Program in the Illinois Courts system
Indiana	Interpreters - Search	Office of Judicial Administration: Language Access
Iowa	Find an Interpreter | Iowa Judicial Branch	Court Interpreters | Iowa Judicial Branch
Kansas	No certification requirements	https://kscourts.gov/Public/Become-an-Interpreter
Kentucky	https://www.kycourts.gov/Court-Programs/Language-Access/Pages/Find-an-Interpreter.aspx	Language Access - Kentucky Court of Justice
Louisiana	https://www.lasc.org/court_interpreters/LASC_Interpreter_Registry.pdf	Office of Language Access - Louisiana Supreme Court
Maine	Verification by email	Interpreter and Translation Services: State of Maine Judicial Branch
Maryland	https://secure.scheduleinterpreter.com/marylandcourts/cgi-bin/reports.cgi?action=publicListing	Language Services | Maryland Courts
Massachusetts	https://www.mass.gov/info-details/massachusetts-trial-court-interpreters-public-release-roster-prr-introduction	Trial Court Office of Language Access | Mass.gov
Michigan	Certified Interpreters	Foreign Language Interpreter Certification Program
Minnesota	Court Interpreters Search	mncourts.gov
Mississippi	https://courts.ms.gov/aoc/courtinterpreter/registry.php	Court Interpreters - State of Mississippi Judiciary
Missouri	Missouri Foreign Language Court Interpreter Roster	Americans with Disabilities Act

Montana	Verification by email	Interpreters | District of Montana | United States District Court
Nebraska	https://nebraskajudicial.gov/programs-services/interpreters/statewide-register-interpreters	Language Access | Nebraska Judicial Branch
Nevada	NVCCIP Roster 5.2026	Nevada Certified Court Interpreter Program Overview | Administrative Office of the Courts
New Hampshire	Verification by email	Language Access/Interpreter Services | New Hampshire Judicial Branch
New Jersey	https://www.njcourts.gov/sites/default/files/public/language-services/registry.pdf	https://www.njcourts.gov/public/get-help/request-interpreter
New Mexico	https://nmcenterforlanguageaccess.org/cms/en/services/language-interpreter-services-directory	Online Multilingual Language Access Training
New York	Verification by email	Language Access & Court Interpreters | New York Courts
North Carolina	Verification by email	Office of Language Access Services | North Carolina Judicial Branch
North Dakota	None	North Dakota Court System - Court Interpreters
Ohio	https://www.supremecourt.ohio.gov/docs/JCS/interpreterSvcs/certification/roster.pdf	Language Services Section » Supreme Court of Ohio
Oklahoma	https://www.oscn.net/static/forms/aoc_forms/interpreter.asp	Forms | Certified Courtroom Interpreters
Oregon	Oregon Credentialed Court Interpreter Roster.pdf	https://www.courts.oregon.gov/languages/Pages/default.aspx
Pennsylvania	Interpreter Roster | Interpreter Program | Operations | Judicial Administration | Unified Judicial System of Pennsylvania	Language Access | Operations | Judicial Administration | Unified Judicial System of Pennsylvania
Rhode Island	Not publicly available	Programs and Services
South Carolina	Interpreter Directory - South Carolina Judicial Branch	Court Access - South Carolina Judicial Branch

South Dakota	Verification by email	Language Access Resources | SD Unified Judicial System | SD UJS
Tennessee	https://tncourts.gov/programs/court-interpreters/find-court-interpreter	Court Interpreters | Tennessee Administrative Office of the Courts
Texas	Find a Court Interpreter Texas	TJB | Interpretation & Translation
Utah	Find a Court Interpreter	Court Interpreters
Vermont	Available upon request	Language Access: Interpreters and Translators | Vermont Judiciary
Virginia	Foreign Language Services | Virginia Court System	https://www.vacourts.gov/courtadmin/aoc/djs/programs/interpreters/home
Washington	Washington State Courts - Court Interpreters	Washington State Courts - Court Interpreters
West Virginia	Verification by email	Access to Justice | West Virginia Judiciary
Wisconsin	https://www.wicourts.gov/services/interpreter/search.htm	Wisconsin Court System - Court services - For interpreters
Wyoming	Court Interpreter Services - Wyoming Judicial Branch	Court Interpreter Services - Wyoming Judicial Branch
District of Columbia	For Interpreters | District of Columbia Courts	ADA and Language Accessibility | District of Columbia Courts
Virgin Islands	Verification by email	https://www.vid.uscourts.gov/interpreter-services

GR 11.2
CODE OF PROFESSIONAL RESPONSIBILITY FOR JUDICIARY INTERPRETERS

(a) **Preamble**. As officers of the court, interpreters must maintain high standards of professional conduct that promote public trust and confidence in the administration of justice. The purpose of this code is to establish standards of conduct that interpreters must abide by in order to preserve the integrity and independence of the judicial system. It establishes core ethical principles of interpreter conduct in all aspects of their profession.

(b) **Scope**. The text of each rule is authoritative, while the comments provide important guidance in understanding the rules.

(c) **Applicability**. All interpreters serving in the judicial system must abide by this Code of Professional Responsibility.

(d) **Compliance.** Interpreters who violate the provisions of this code are subject to disciplinary action and/or any other sanction that may be imposed by law.

(e) **Definitions.**

(1) Source language – the original language of the writer or speaker.

(2) Target language – the language of the receiving reader or listener.

(3) Register – the degree of formality of language.

(4) Sight translation – the rendering of a written document directly into a spoken or signed language, not for purposes of producing a written document.

(f) **Canons.**

(1) *Accuracy.* Interpreters must reproduce in the target language the closest natural equivalent of the source language message without altering it by means of addition, omission, or explanation.

Comment

(1)[1] Interpreters are obligated to conserve every element of information contained in the source and target languages. In doing so, they fulfill a twofold duty: (1) to ensure that legal proceedings reflect in English precisely what is said or signed by limited English proficient individuals and (2) to place limited English proficient individuals on an equal linguistic footing with those who are fully proficient in English.

(1)[2] Interpreters are required to apply their best skills and judgment to render, as faithfully as reasonably possible, the meaning of what is said or signed, preserving the style and register of speech, and the ambiguities and nuances of the source statement.

Everything must be interpreted, even if it appears nonresponsive, obscene, rambling, or incoherent. This includes false starts and apparent misstatements. However, verbatim, "word for word," or literal interpretation is inappropriate if it distorts the meaning of what is said or signed.

Spoken language interpreters should convey the speaker's tone without reenacting or mimicking the speaker's emotions or dramatic gestures. Sign language interpreters, on the other hand, should employ visual cues, including facial expressions, body language, and hand gestures, which are structural elements of sign languages.

(1)[3] Interpreters have the duty to immediately address any situation or condition that impedes their ability to accurately interpret. Examples include, but are not limited to, linguistic ambiguities, unfamiliar terms, inaudible speech, inability to see a speaker, background noise or distraction, and pace of speech.

(1)[4] The obligation to preserve accuracy includes the interpreter's duty to correct any substantive errors of interpretation as soon as possible. Interpreters should be prepared to accept feedback, including challenges to their interpretation, in a professional and impersonal manner.

(1)[5] Due to the difficulty of extemporaneously interpreting recordings (such as 911 calls), the practice of doing so in court should be discouraged at all times. Rather, proper transcripts and corresponding written translations should be prepared in advance. If ordered by the presiding officer to interpret a recording in court, interpreters should comply but state, on the record, that they cannot guarantee the accuracy of the interpretation.

(1)[6] Interpreters should refrain from sight translating documents for the record. Rather, written translations of documents offered in an evidentiary hearing should be prepared in advance. If ordered by the presiding officer to sight translate such documents, interpreters should comply but state, on the record, that they cannot guarantee the accuracy of the sight translation.

(1)[7] The ethical responsibility to interpret accurately includes being prepared for assignments. Interpreters are encouraged to obtain documents and other information necessary to familiarize themselves with the nature and purpose of an assignment. Prior preparation is described below; it is especially important when testimony or documents include highly specialized terminology and subject matter.

Preparation may include but is not limited to:

(i) reviewing relevant documents, such as criminal complaints, police reports, briefs, witness lists, jury instructions, prior depositions, etc.;

(ii) asking interpreters previously involved in the case for information on language use or style; or

(iii) asking attorneys involved in the case for additional relevant information.

(2) *Competence.* Interpreters must not knowingly accept any assignment beyond their skill level. If at any point, before or during an assignment, they have reservations about their ability to satisfy an assignment competently, they must immediately disclose this to all parties and, if applicable, to the court.

In their professional capacity, interpreters must not give legal or other advice or engage in any activity that may be construed as a service other than interpreting or translating.

Comment

(2)[1] Interpreters are duty bound to inquire about the assignment in advance and assess their competence to render services.

(2)[2] Interpreters are not qualified to give written or oral counsel about a legal matter that could affect the rights and responsibilities of the person receiving the advice. GR 24 sets forth what constitutes the practice of law.

(2)[3] Interpreters should maintain and expand competence in their field through professional development. Professional development includes steady practice, professional training, ongoing education, terminology research, regular and frequent interaction with colleagues and specialists in related fields, and staying abreast of new technologies, current issues, laws, policies, rules, and regulations that affect their profession.

(2)[4] Interpreters should know and follow established protocols for delivering interpreting services. When speaking in English, interpreters should speak at a volume that enables them to be heard throughout the courtroom. They should interpret in the first person and refer to themselves in the third person.

(3) *Honesty and Integrity*. Interpreters have an inviolable duty to provide honest services in which their behavior upholds the values outlined in this code. They must accurately represent their credentials, training, and relevant experience. Interpreters must not engage in conduct that impedes their compliance with this code or allow another to induce or encourage them to violate the law or this code.

Comment

(3)[1] It is essential that interpreters present a complete and truthful account of their credentials, training, and relevant experience prior to an assignment so that their ability to satisfy it competently can be fairly evaluated.

(4) *Impartiality and Neutrality.* Interpreters must faithfully render the source message without allowing their own views to interfere. They must refrain from conduct that may give an appearance of bias and must disclose any real or potential conflict of interest to all parties and the court, if applicable, as soon as they become aware of it.

Comment

(4)[1] Interpreters should strive for professional detachment. They should uphold impartiality by avoiding verbal and nonverbal displays of personal attitudes, prejudices, emotions, or opinions. Interpreters must faithfully render all statements, even those they find personally objectionable, without allowing their own views or opinions to interfere.

(4)[2] As officers of the court, interpreters serve the court and the public, regardless of whether publicly or privately retained. Interpreters must uphold neutrality by avoiding any behavior that creates the appearance of favoritism toward anyone. Interpreters should maintain professional relationships with persons using their services, discourage personal dependence on the interpreter, and avoid participation in the proceedings in any capacity other than providing interpreter services. During the course of the proceedings, interpreters should not converse with parties, witnesses, jurors, attorneys, or friends or relatives of any party, except in the discharge of their official functions.

(4)[3] Interpreters must not serve in any matter in which they have an interest, financial or otherwise, in the outcome, unless a specific exception is allowed by the judicial officer for good cause and noted on the record. Interpreters must not solicit or accept gifts or gratuities from any of the parties, even as a social courtesy, in order to maintain the appearance of neutrality. Interpreters must disclose to the parties and/or the court any circumstance that creates a potential conflict of interest, including but not limited to the following:

(i) the interpreter is a friend, associate, or relative of a party, witness, victim, or counsel;

(ii) the interpreter or the interpreter's friend, associate, or relative has a financial interest in the case at issue, a shared financial interest with a party to the proceeding, or any other interest that might be affected by the outcome of the case;

(iii) the interpreter has served in an investigative capacity for any party involved in the case;

(iv) the interpreter has previously been retained by a law enforcement agency to assist in the preparation of the criminal case at issue;

(v) the interpreter is an attorney in the case at issue; or

(vi) the interpreter has previously been retained for employment by one of the parties.

The existence of any one of the abovementioned circumstances should be evaluated by the parties and the court but should not automatically disqualify an interpreter from providing services. If an actual or perceived conflict of interest exists, the appropriate authorities should determine whether it is appropriate for the interpreter to withdraw based on the totality of the circumstances.

(5) Confidentiality. Interpreters must not divulge privileged or other confidential information obtained in their professional capacity. They must refrain from making any public statement on matters in which they serve.

Comment

(5)[1] Privileged communications take place within the context of a protected relationship, such as that between an attorney and client, a husband and wife, a priest and penitent, and a doctor and patient. The law often protects against forced disclosure of such conversations. Interpreters are bound to maintain the confidentiality of all privileged communications.

(5)[2] Interpreters are also routinely privy to communications that, while not necessarily privileged by law, are conveyed in confidence. In order to preserve the integrity of the judicial process, interpreters have an ongoing duty to refrain from disclosing information obtained in their professional capacity. This duty is consistent with CJC 2.10.

[Adopted effective November 17, 1989. Original Rule 11.1 was renumbered as Rule 11.2 effective September 1, 2005; Amended effective April 26, 2016; December 18, 2018; March 12, 2019.]

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION

SUBJECT:	Agenda Date: September 15, 2026	AB26-118
Professional services agreement with Parametrix, Inc. to update the City's Stormwater Management Action Plan (SMAP).	Mayor John Adler	
	City Administrator Kevin O'Neill	
	City Attorney David Linehan	
	City Clerk – Brenda L. Martinez	
	Com Dev – Hal Hart	
	Finance – Xavier Mason	
	MDRT/Ec Dev – Michelle Wright	
Cost Impact (see also Fiscal Note): $28,690	Police – Chief Kiblinger	
Fund Source: Stormwater Capacity Grant	Public Works – Scott Hanis	X
Timeline: Now through April 2027	Court – Tawnya Parks	

Agenda Placement: ☒ Mayor ☐ Two Councilmembers ☐ Committee Chair ☐ City Administrator

Attachments: Resolution; Professional Services Agreement; Scope of Work

SUMMARY STATEMENT:

The City has stormwater grant funds to enlist the services of Parametrix in drafting an update to the City's Stormwater Management Action Plan (SMAP). This Action Plan update is required as part of the City's National Pollutant Discharge Elimination System (NPDES) permit which is administered by the Department of Ecology.

This project requires specialized engineering expertise in developing plans of this scope and complexity. Parametrix was selected as a candidate based on their proven track record of delivering these plans to a high standard, as well as their extensive expertise supporting similar efforts for a number of other jurisdictions. Parametrix also did the engineering and analysis for the City's original SMAP report in 2023.

The proposed cost of these services appears reasonable considering the scope of work and necessary levels of analysis when compared to the SMAP study Parametrix conducted in 2023.

FISCAL NOTE (Finance Department):
The necessary funding for this project of $28,690.00 will be covered by the Stormwater Capacity Grant. There will be a budget amendment at year end to account for the expenditure.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:
Public Works Committee recommends taking to full Council for consideration on the consent agenda.

RECOMMENDED ACTION: **MOTION to adopt Resolution No. 26-1775 authorizing the Mayor to execute a Professional Services Agreement with Parametrix, to provide the City's Stormwater Management Action Plan (SMAP).**

RECORD OF COUNCIL ACTION		
Meeting Date	***Action***	***Vote***
September 15, 2026		

RESOLUTION NO. 26-1775

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON AUTHORIZING THE MAYOR TO IMPLEMENT A PROFESSIONAL SERVICE AGREEMENT WITH PARAMETRIX, INC. TO DRAFT AN UPDATE TO THE CITY'S STORMWATER MANAGAMENT ACTION PLAN (SMAP)

WHEREAS, the City is required to update our Stormwater Management Action Plan (SMAP) as part of its National Pollutant Discharge Elimination System (NPDES) Permit from the Department of Ecology; and

WHEREAS, the project requires specialized watershed and stormwater engineering analysis; and

WHEREAS, the City has grant funds for the expense of this project; and

WHEREAS, the City's Public Works Department recommends authorizing a Professional Services Agreement with Parametrix, Inc. to assist with this project;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is hereby authorized to execute a Professional Services Agreement with Parametrix, Inc. to provide the City's Stormwater Management Action Plan and related services.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 15TH DAY OF SEPTEMBER, 2026.

CITY OF BLACK DIAMOND:

____

John Adler, Mayor

Attest:

____

Brenda L. Martinez, City Clerk

CITY OF BLACK DIAMOND PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (the or this "Agreement"), for reference purposes only, is dated September________, 2026 and is entered into by and between

CITY OF BLACK DIAMOND, WASHINGTON (the "City")
Physical Address: 24301 Roberts Drive
Mailing Address: PO Box 599
Black Diamond, WA 98010
Contact: Phone: 360-851-4500 Fax: 360-851-4501

and
Parametrix, Inc
____________________________ ("Consultant")
____
____

Contact: Nikki Redden Phone: 206-649-9262
Fax: 800-542-6353

Tax Id No.: ________________________

for professional services in connection with the

Title

Update the City of Black Diamond's Stormwater Management Plan

TERMS AND CONDITIONS

1. Services by Consultant

1.1 Consultant shall perform the services described in the Scope of Work attached to this Agreement as Exhibit "A." The services performed by Consultant shall not exceed the Scope of Work nor shall the Consultant be entitled to a greater amount of compensation as that provided in this Agreement without the prior written authorization of the City.

1.2 The City may from time to time require changes or modifications in the Scope of Work. Such changes, including any decrease or increase in the amount of compensation, shall be agreed to by the parties and incorporated in written amendments to this Agreement.

1.3 Consultant represents and warrants that it, its staff to be assigned to the Project, and its subconsultants and their staff have the requisite training, skill, and experience necessary to provide the services required by this Agreement and are appropriately accredited and licensed by all applicable agencies and governmental entities. Services provided by Consultant and its subconsultants under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing in similar circumstances.

2. **<u>Schedule of Work</u>**

2.1 Consultant shall perform the services described in the Scope of Work Exhibit “A” in a timely manner with the goal to following City review and approval. Delays due to unforeseen circumstances (i.e., additional meetings or extended review periods) may result in additional effort necessary for project management and administration.

2.2 Consultant will work within the project schedule and will proceed with the work and shall assure that it, and its subconsultants, will have adequate staffing at all times in order to complete the Scope of Work in a timely manner. If factors beyond Consultant's control that could not have been reasonably foreseen as of the date of this Agreement cause delay, then the parties will negotiate in good faith to determine whether an extension is appropriate. The Consultant shall provide the City with written notice of any delay, or potential delay, that may trigger the need for a time extension within 3 business days after the Consultant becomes aware of the delay or potential delay.

2.3 Consultant is authorized to proceed with services upon execution of this agreement.

3. **<u>Compensation</u>**

☐ LUMP SUM. Compensation for the services provided in the Scope of Work shall be a Lump Sum of $______28,690.00___________.

☐ TIME AND MATERIALS NOT TO EXCEED. Compensation for the services provided in the Scope of Work shall not exceed $28,690.00without the written authorization of the City and will be based on the list of billing rates and reimbursable expenses attached hereto as Exhibit “C.”

TIME AND MATERIALS. Compensation for the services provided in the Scope of Work shall be on a time and materials basis according to the list of billing rates and reimbursable expenses attached hereto as Exhibit “C.”

4. **<u>Payment</u>**

4.1 Consultant shall maintain time and expense records and provide them to the City monthly, along with monthly invoices, in a format acceptable to the City for work performed to the date of the invoice.

4.2 All invoices shall be paid by City warrant within sixty (60) days of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

4.3 Consultant shall keep cost records and accounts pertaining to this Agreement available for inspection by City representatives for three (3) years after final payment unless a longer period is required by a third-party agreement. Consultant shall make copies available to the City on request.

4.4 If the services rendered do not meet the requirements of the Agreement, Consultant will correct or modify the work to comply with the Agreement. The City may withhold payment for such work until the work meets the requirements of the Agreement.

5. Discrimination and Compliance with Laws

5.1 Consultant agrees not to discriminate against any employee or applicant for employment or any other person in the performance of this Agreement because of race, creed, color, national origin, marital status, sex, age, disability, or other circumstance prohibited by federal, state, or local law or ordinance, except for a bona fide occupational qualification.

5.2 Consultant and its subconsultants shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this Agreement.

5.3 Any violation of this Section 5 shall be a material breach of this Agreement and grounds for immediate cancellation, termination, or suspension of the Agreement by the City, in whole or in part, and may result in Consultant's ineligibility to conduct further work for the City.

6. Suspension and Termination of Agreement

6.1 The City reserves the right to terminate or suspend this Agreement at any time, without cause, by giving Consultant notice in writing ten (10) days prior to the termination or suspension date. In the event of termination, all finished or unfinished reports, or other material prepared by Consultant pursuant to this Agreement, shall be submitted to the City. In the event the City terminates this Agreement prior to completion without cause, Consultant may complete such analyses and records as may be necessary to place its files in order. Consultant shall be entitled to compensation for any satisfactory work completed on the Project prior to the date of suspension or termination.

6.2 Any notice from the City to Consultant regarding the suspension of this Agreement shall specify the anticipated period of suspension. Any reimbursement for expenses incurred due to the suspension shall be limited to Consultant's reasonable expenses and shall be subject to verification. Consultant shall resume performance of services under this Agreement without delay when the suspension period ends.

7. Standard of Care

7.1 Consultant represents and warrants that it has the requisite training, skill, and experience necessary to provide the services under this Agreement and is appropriately accredited and licensed by all applicable agencies and governmental entities. Services Consultant provides under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing in similar circumstances. Consultant understands and agrees that the services rendered pursuant to this Agreement are for the sole exclusive benefit of the City and that no third party shall have authority to authorize, approve, direct or control any of the services rendered to the City pursuant to this Agreement.

8. Ownership of Work Product

8.1 Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled, or produced as a result of this Agreement, whether or not completed, shall be vested in the City and shall be submitted to the City upon termination of this Agreement. Any reuse of these materials by the City for projects or purposes other than those that fall within the scope of this Agreement and the Project to which it relates, without written concurrence by Consultant, will be at the sole risk of the City.

8.2 The City acknowledges Consultant's documents as instruments of professional service. Nevertheless, the documents prepared under this Agreement shall become the property of the City upon completion of the work. The City agrees to hold harmless and indemnify Consultant against all claims made against Consultant for damage or injury, including defense costs, arising out of the City's reuse of such documents beyond the use for which they were originally intended without the written authorization of Consultant.

8.3 Methodology, software, logic, and systems developed under this Agreement are the property of Consultant and the City and may be used as either Consultant or the City see fit, including the right to revise or publish the same without limitation.

9. Indemnification/Hold Harmless

9.1 Consultant shall indemnify, and hold the City, its officers, employees, agents and volunteers harmless from all reasonable claims, injuries, damages, losses or suits including attorney fees, arising directly or indirectly out of or resulting from the negligent acts, errors, or omissions of Consultant or its sub-consultants in performance of this Agreement, except for injuries and damages caused by the concurrent negligence of the City. Provided, however, that if any such claims, injuries, damages, losses or suits result from the concurrent negligence of Consultant and the City, and the City's officers, employees, agents or volunteers it is expressly agreed that Consultant's obligations and indemnity under this paragraph shall be effective only to the extent of Consultant's negligence.

10. Insurance

10.1 Consultant shall procure and maintain for the duration of the Agreement, and shall provide proof satisfactory to the City that such insurance is procured and maintained by each of its subconsultants, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Consultant, its agents, representatives, employees or subconsultants.

10.2 Consultant shall procure and maintain the following types and amounts of insurance:

a. Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage. This insurance shall have a minimum combined single limit for bodily injury and property damage of $1,000,000 per accident.

b. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 or a substitute form providing equivalent liability coverage and shall cover liability arising from premises, operations, independent contractors, personal injury, and advertising injury. This insurance shall be written with limits no less than $1,000,000 each occurrence, $2,000,000 general aggregate.

c. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

d. Professional Liability insurance appropriate to Consultant's profession, with limits no less than $1,000,000 per claim.

10.3 The Automobile Liability, Commercial General Liability, and Professional Liability insurance policies are to contain, or be endorsed to contain, the following provisions:

a. Consultant's insurance coverage shall be primary insurance vis-à-vis the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess over Consultant's insurance and shall not contribute with it.

b. Consultant's insurance shall be endorsed to state that coverage shall not be cancelled, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

10.4 The City shall be named as an additional insured under Consultant's Automobile Liability and Commercial General Liability insurance policies with respect to the work to be performed for the City pursuant to this Agreement.

10.5 Insurance shall be placed with insurers with a current A.M. Best rating of not less than A:VII.

10.6 Declaration pages issued by the insurance carriers for the policies mentioned in this Section 10 showing such insurance to be in force shall be filed with the City not less than ten (10) days following both parties signing this Agreement and before commencement of the work. In addition, the City may request, in writing, a full copy from Consultant of any insurance policy Consultant must procure and maintain pursuant to this Agreement and Consultant must provide such copy to the City within ten (10) days of Consultant's receipt of the City's request. Any policy or required insurance written on a claims-made basis shall provide coverage as to all claims arising out of the services performed under this Agreement and for three (3) years following completion of the services to be performed. It shall be a material breach of this Agreement for Consultant to fail to procure and maintain the insurance required by this Section 10 or to provide the proof of such insurance to the City as provided for in this Agreement.

11. Assigning or Subcontracting

11.1 Consultant shall not assign, transfer, subcontract, or encumber any rights, duties, or interests accruing from this Agreement without the express prior written consent of the City, which consent may be withheld at the sole discretion of the City.

12. Independent Contractor

12.1 Consultant and its subconsultants are and shall be at all times during the term of this Agreement, independent contractors.

13. Notice

13.1 All notices required by this Agreement shall be considered properly delivered when personally delivered, when received by facsimile, or on the third day following mailing, postage prepaid, certified mail, return receipt requested to:

City:

City of Black Diamond
P.O. Box 599
Black Diamond, WA 98010
Fax: 360-851-4500

With a copy to: City Attorney

____
____
____
____

Consultant: ____________________
____
____
____
Fax:

14. Disputes

14.1 Any action for claims arising out of or relating to this Agreement shall be governed by the laws of the State of Washington. Venue shall be in King County Superior Court, Kent, Washington.

15. Attorney Fees

15.1 In any suit or action instituted to enforce any right granted in this Agreement, the substantially prevailing party shall be entitled to recover its costs, disbursements, and reasonable attorney fees from the other party.

16. General Administration and Management on Behalf of the City

16.1 The City Administrator for the City, or his/her designee (the contract Administrator) shall review and approve Consultant's invoices to the City under this Agreement and shall have primary responsibility for overseeing and approving work or services to be performed by Consultant. . Consultant understands and agrees that any and all work to be performed pursuant to this Agreement must be approved in advance by the contract Administrator. No third party, including the project applicant, shall have any direct control or influence over the services performed under this Contract.

17. Extent of Agreement/Modification

17.1 This Agreement, together with any attachments or addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may only be amended, modified, or added to by written instrument properly signed by both parties. The parties acknowledge the general contract rule that a clause in a contract, such as this one, prohibiting oral modifications is itself generally subject to oral modification. However, in order to ensure certainty as to the terms and conditions of this Agreement, the parties waive this general contract rule.

18. Conflict of Interest; Non-Collusion

18.1 No officer, employee or agent of the City, nor any member of the immediate family of any such officer, employee or agent, shall have any personal financial interest, direct or indirect, in this Contract, either in fact or in appearance. The Consultant shall comply with all federal, state, and City conflict of interest laws, statutes and regulations. The Consultant represents that the Consultant presently has no interest and shall not acquire any interest, direct or indirect, in the project to which this Contract pertains which would conflict in any manner or degree with the performance of the Consultant's services and obligations hereunder. The Consultant further covenants that, in performance of this Contract, no person having any such interest shall be employed by the Consultant. The contractor's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from the project applicant or any affiliate or agent of the project applicant.

18.2 The Contractor warrants and represents that the Contractor has not, nor has any other member, employee, representative, agent or officer of the Contractor, entered into or offered to enter into any combination, collusion or agreement with any person or entity to receive or pay, and that he has not received or paid, any sum of money or other consideration for the execution of this Contract other than the consideration offered pursuant to the terms and conditions hereof.

CITY OF BLACK DIAMOND	CONSULTANT
By: ___________________________	By: ____________________________
John Adler	Printed Name: __________________
Its: Mayor	Its: ____________________________
Date: ____________________	Date: ____________________

Attest:

By:

____

Brenda L. Martinez
City Clerk

Approved as to form:

By:

____

City Attorney

Exhibit B

City of Black Diamond On-Call Task Request

Date:	08-18-2026	City Staff Contact:	Scott Hanis
Task Name:	Stormwater Management Action Plan	Phone:	360-851-4521
Consultant Project No.:	234-3043-040-29	Fax:	360-851-4501
Consultant Contact Name:	Nicole Redden		
Consultant Phone:	206-649-9262		
Consultant Fax:	800-542-6353		

Scope of Task Request Including Deliverables and Schedule

Please see scope and budget attached.

Budget Estimate: $28,690.00

The budget estimate has been set at a reasonable amount for the anticipated level of assistance. Parametrix will notify City staff if requested work under this task order will exceed the authorized budget amount. The total budget estimate includes applicable administrative costs and reimbursable expenses.

Task Request Approval:

City of Black Diamond:

______________________	______________________
Written Name	Title
______________________	______________________
Signature	Date

Consultant:

Austin Fisher	Vice President
Written Name	Title
______________________	______________________
Signature	Date

*Costs are billed on a time and materials basis, the Consultant shall notify the City should additional funds be necessary to complete the task order. Additional work beyond that which is ordered by the City shall not commence until written notification is received from the City.

City of Black Diamond
Stormwater Management Action Plan
2025-2029 Western Washington Phase II Municipal Stormwater Permit

Introduction

The City of Black Diamond (City) is contracting with Parametrix under the City of Black Diamond Professional Services Agreement for Civil Engineering Services for Stormwater, Streets, and Transportation, and City Parks, to support preparation of a new Stormwater Management Action Plan (SMAP) in accordance with the requirements of the 2025–2029 Western Washington Phase II Municipal Stormwater Permit. The City will continue to focus on its previously selected high-priority basin (Rock Creek Northeast) and will update the existing SMAP to satisfy permit requirements.

Parametrix previously supported the City's SMAP development effort in 2022 and 2023, including preparation of the Receiving Water Assessment, Receiving Water Prioritization, and the final SMAP for the Rock Creek Northeast Catchment Area. Through that effort, receiving waters and drainage basins throughout the City were evaluated, catchments were prioritized using watershed condition, water quality, stormwater management coverage, development potential, and community considerations, and Rock Creek Northeast was selected as the City's high-priority basin. The resulting SMAP identified a suite of stormwater facility retrofit projects, land management strategies, and stormwater program actions intended to improve and protect water quality within the basin, including the 2nd Avenue Stormwater Park, Morgan and Baker Street retrofit, and Railroad Avenue Pond projects.

This update will build upon the previous planning effort by reviewing implementation progress, incorporating updated watershed and stormwater system information, evaluating the status of previously identified projects and actions, and preparing an updated SMAP that satisfies current permit requirements while maintaining focus on the Rock Creek Northeast catchment area.

Task 01 – Project Management

Objectives

Provide overall project management of the consultant contract with the City.

This task includes general management functions that include the following:

- Project Planning – Document and communicate the scope of work, budget, and schedule as a road map for the project team. Coordinate project team and issues throughout the project.
- Budget and Schedule Tracking – Track the project budget using Parametrix in-house tools to verify that progress is keeping pace with spending.
- Bi-weekly design team meetings with an issues list to document project design decisions.
- Monthly Progress Reports – Prepare a monthly invoice for services performed by Parametrix.
- Correspondence – Prepare written correspondence as needed to document project management issues and/or concerns.

Deliverables

Deliverables for this task include:

- Monthly progress reports enclosed with invoices.

Assumptions

Assumptions for this task include:

- Project duration is 6 months.
- Budget assumes six monthly 30-minute virtual meetings with the City and two Parametrix staff.

Task 02 – SMAP Basin Review and Data Update

Review the existing SMAP basin, identify changes since the previous SMAP, and update watershed information necessary to support the revised SMAP.

Approach

Kickoff Meeting: Parametrix will prepare for and facilitate a project kickoff meeting. Parametrix will lead the meeting, which will include introduction of the project team, definition of the project objectives, and review of the scope of work and schedule milestones.

Data Collection: Parametrix will obtain Geographic Information System (GIS) data updated by the City since the previous SMAP and comprehensive plan work completed, if any, to complete the basin information collection elements to conduct the SMAP and update the receiving water assessment and prioritization documents. A meeting with the City and Parametrix staff will occur to review any changes that occurred within the basin since the previous SMAP submittal and confirm existing GIS data is still accurate. Examples of available data to be collected or confirmed are:

- Watershed catchment delineations
- Drainage system maps
- Stormwater treatment coverage
- Impervious surfaces
- Vacant land maps (if available)
- Future proposed land use

Deliverables

Deliverables for this task include:

- Agenda for kickoff meeting.
- Meeting notes from the data collection coordination meeting.

Assumptions

Assumptions for this task include:

- The City will provide Parametrix with all needed information in electronic format via email, FTP site transfer, or file share platform such as OneDrive/SharePoint or ProjectWise.
- The City will provide the following information for review:
  - → GIS data described above.
  - → Most recent NPDES Annual Reports and Stormwater Management Program documents.
  - → Water quality data from City-led or available surface water or stormwater monitoring programs.
  - → Existing modeling data on the City's stormwater system and drainage basins within the City, if available.
  - → Results of any stormwater system needs evaluations, including map of problem areas and basic project sheets developed to-date.
- Up to four Parametrix staff members will participate in the virtual kickoff meeting. One one-hour meeting is assumed.
- The City will identify and invite other City staff to participate in the kickoff meeting. The City will coordinate the kickoff meeting time and have key City staff at the meeting based on planned topics.
- Up to four Parametrix staff members will participate in the virtual data collection meeting. One one-hour meeting is assumed.
- The City will request available information from other public entities, such as WRIAs, King County, the U.S. Army Corps of Engineers, or Washington State Department of Ecology, as needed, and provide to Parametrix.
- Parametrix effort for this task is limited to the budgeted level of effort and assumes no substantial revisions to basin boundaries, receiving water assessment results, basin prioritization analyses, or watershed modeling.

Task 03 – SMAP Update and Action Evaluation

Prepare an updated Stormwater Management Action Plan (SMAP) for the Rock Creek Northeast Catchment Area that satisfies the requirements of the 2025–2029 Western Washington Phase II Municipal Stormwater Permit and documents updated implementation actions for the basin.

Approach

Parametrix will perform the following services:

- Coordinate with City staff to document implementation progress for actions identified in the previous Rock Creek Northeast SMAP.
- Document the basis for continued use of the Rock Creek Northeast Catchment Area as the City's priority basin.
- Evaluate retrofit opportunities, including transportation-related runoff retrofit opportunities where applicable through a desktop evaluation.
- Develop planning-level descriptions and cost opinions for up to two new or revised priority projects.

- Review previously identified stormwater management actions, land management strategies, programmatic actions, and long-range planning recommendations, and update them as necessary to reflect implementation status, current conditions, and permit requirements.
- Update implementation schedules, potential funding sources, adaptive management recommendations, and future assessment recommendations, as needed.
- Prepare draft and final SMAP documents incorporating one round of City review comments.

Deliverables

Deliverables for this task include:

- Draft SMAP report for City review.
- Final SMAP report in Microsoft Word and PDF formats.

Assumptions

Assumptions for this task include:

- Work will focus on desktop evaluation.
- Field investigations will be performed by City staff, if needed.
- Rock Creek Northeast Catchment Area remains the City's highest-priority SMAP basin.
- Existing receiving water assessment and prioritization documents will be used as background information and will not be substantially revised.
- No basin re-prioritization, public outreach, Planning Commission presentations, or City Council presentations are included.
- The City will provide one consolidated set of comments on the draft report within three weeks.
- Up to two new or revised project concepts are included.

Parametrix

Client: Black Diamond
Project No: 554-3043-040
Task Order: 29

Parametrix, Inc.
Budget Estimate
Black Diamond On-Call
Task 29

					John Featherstone	Chad Tinsley	Nikki Redden	Analise Chiu	Debbie Featherston	Lauren Jones	Juliann Manke	Jean Johnson
					Sr. Consultant	Sr. GIS Analyst	Engineer IV	Engineer I	Publications Supervisor	Project Controls Specialist	Sr. Project Accountant	Sr Contract Administrator
				Fully Burdened Rates:	$ 305.00	$ 150.00	$ 195.00	$ 150.00	$ 155.00	$ 150.00	$ 145.00	$ 170.00
Task	**Subtask**	**Description**	**Labor Dollars**	**Labor Hours**								
01		**Project Management**	**$5,905.00**	**31**	**5**	**0**	**11**	**0**	**0**	**7**	**7**	**1**
01	01	Project Management	$5,905.00	31	5		11			7	7	1
02		**SMAP Basin Review and Data Update**	**$6,370.00**	**38**	**2**	**20**	**8**	**8**	**0**	**0**	**0**	**0**
02	01	SMAP Basin Review and Data Update	$6,370.00	38	2	20	8	8				
03		**SMAP Update and Action Evaluation**	**$16,415.00**	**93**	**10**	**0**	**20**	**60**	**3**	**0**	**0**	**0**
03	01	SMAP Update and Action Evaluation	$16,415.00	93	10		20	60	3			
		Labor Totals:		162	17	20	39	68	3	7	7	1
		Totals:	**$28,690.00**		**$5,185.00**	**$3,000.00**	**$7,605.00**	**$10,200.00**	**$465.00**	**$1,050.00**	**$1,015.00**	**$170.00**

Project Total	**$28,690.00**

CITY COUNCIL
AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

<table>
<tr><th colspan="3">ITEM INFORMATION</th></tr>
<tr><td rowspan="10">SUBJECT:

Adoption of the City of Black Diamond Strategic Plan 2027–2031</td><td>Agenda Date: September 15, 2026</td><td>AB26-119</td></tr>
<tr><td>Mayor John Adler</td><td></td></tr>
<tr><td>City Administrator - Kevin O’Neill</td><td>X</td></tr>
<tr><td>City Attorney David Linehan</td><td></td></tr>
<tr><td>City Clerk – Brenda L. Martinez</td><td></td></tr>
<tr><td>Com Dev – Hal Hart</td><td></td></tr>
<tr><td>Finance – Xavier Mason</td><td></td></tr>
<tr><td>MDRT/Ec Dev – Michelle Wright</td><td></td></tr>
<tr><td>Police – Chief Kiblinger</td><td></td></tr>
<tr><td>Public Works – Scott Hanis</td><td></td></tr>
<tr><td>Cost Impact (see also Fiscal Note):</td><td></td><td></td></tr>
<tr><td>Fund Source:</td><td>Court – Judge Swain/Tawnya Parks</td><td></td></tr>
<tr><td>Timeline:</td><td></td><td></td></tr>
<tr><td colspan="3">Agenda Placement: ☐ Mayor ☐ Two Councilmembers ☐ Committee Chair ☒ City Administrator</td></tr>
<tr><td colspan="3">Attachments: Resolution; Proposed Strategic Plan</td></tr>
</table>

SUMMARY STATEMENT:

The City of Black Diamond is in a period of significant transition and growth. The Strategic Plan recognizes the opportunity to strengthen community amenities, support local businesses, improve infrastructure, and invest in the City’s long-term sustainability while also preparing for increased demands on City services, facilities, staffing, and systems.

The City engaged Berk Consulting to facilitate development of a Strategic Plan for 2027–2031. The planning process included input from the public, City leadership, City staff, and elected officials and was designed to establish a shared direction for the City and identify the actions necessary to advance that direction.

The proposed Strategic Plan identifies four interconnected priorities for the 2027–2031 period:

1. Build a Connected and Distinct Community
2. Provide Parks and Recreation Amenities for Residents and Visitors
3. Strengthen Black Diamond’s Economic Vitality and Financial Sustainability
4. Enhance City Capacity and Operations

The plan also establishes a recurring implementation cycle in which Council and staff review progress, identify priorities, translate those priorities into actions and resource needs, implement and track those actions, and report progress to the community.

FISCAL NOTE (Finance Department):

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **A MOTION to Approve Resolution No. 26-1776 adopting the**

City of Black Diamond Strategic Plan 2027-2031 as the City’s strategic framework for establishing priorities and guiding City operations, budgeting, and implementation efforts during the 2027-2031 planning period.

RECORD OF COUNCIL ACTION

Meeting Date	***Action***	***Vote***
September 15, 2026		

RESOLUTION NO. 26-1776

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON ADOPTING THE CITY OF BLACK DIAMOND STRATEGIC PLAN 2027-2031

WHEREAS, the City of Black Diamond is experiencing significant growth and change that presents opportunities to strengthen community amenities, support local businesses, improve infrastructure, and invest in the City's long-term sustainability; and

WHEREAS, continued growth also presents challenges and increased demands on City services, facilities, staffing, systems, and financial resources; and

WHEREAS, the City Council recognizes the importance of establishing a shared strategic direction to guide the City's response to growth and changing community needs; and

WHEREAS, the City engaged Berk Consulting to facilitate the development of a Strategic Plan for the 2027–2031 planning period, incorporating input and feedback from City staff; and

WHEREAS, the proposed City of Black Diamond Strategic Plan 2027–2031 establishes four interconnected priorities:

1. Build a Connected and Distinct Community;
2. Provide Parks and Recreation Amenities for Residents and Visitors;
3. Strengthen Black Diamond's Economic Vitality and Financial Sustainability; and
4. Enhance City Capacity and Operations; and

WHEREAS, the Strategic Plan establishes desired long-term outcomes and specific commitments for 2027–2031 intended to provide direction for the City's planning, budgeting, departmental workplans, operations, and future decision-making; and

WHEREAS, the Strategic Plan provides for regular progress reporting and a formal implementation update every two years to assess progress and identify priorities and next steps for the subsequent two-year period; and

WHEREAS, adoption of the Strategic Plan does not itself authorize expenditures or appropriate funds, and individual actions necessary to implement the Strategic Plan will be considered through the City's normal legislative, budgeting, contracting, and planning processes;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Council adopts the City of Black Diamond Strategic Plan 2027–2031 attached hereto as Exhibit A and incorporated herein by this reference, as the City's strategic framework for the 2027–2031 planning period.

Section 2. The Mayor, City Administrator and City staff are authorized to undertake appropriate administrative actions to maintain, implement, and report on the Strategic Plan consistent with the City's adopted budgets, policies, ordinances, and applicable law.

Section 3. Nothing in this Resolution shall be construed as an appropriation, authorization of expenditures, approval of a capital project, or authorization to enter into a contract. Specific actions and expenditures necessary to implement the Strategic Plan shall be brought forward for consideration through the City's applicable budgetary, legislative, contracting, and planning processes.

Section 4. The City Administrator shall provide regular progress updates regarding implementation of the Strategic Plan and shall coordinate a formal implementation update every two years consistent with the implementation framework established in the Strategic Plan.

Section 5. This Resolution shall take effect immediately upon its adoption.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 15TH DAY OF SEPTEMBER, 2026.

CITY OF BLACK DIAMOND:

____

John Adler, Mayor

Attest:

____

Brenda L. Martinez, City Clerk

City of Black Diamond Strategic Plan 2027-2031

Setting the Stage for Purposeful Growth

DRAFT September 9, 2026

Mayor

John Adler

Councilmembers

Dan DalSanto
Tamie Deady
Sara Nielsen
Darcey Peterson
Ryan Reed
Mario Sorci
Jesse Young

Staff

Thank you to the many Black Diamond staff members who contributed ideas and feedback to inform the development of this plan.

BERK
STRATEGY ANALYSIS COMMUNICATIONS

2200 Sixth Avenue, Suite 1000
Seattle, Washington 98121
(206) 324-8760
www.berkconsulting.com

Helping Communities and Organizations Create Their Best Futures

Brian Murphy | Lead Facilitator
Maddie Immel | Co-Facilitator
Ruby Barnes | Graphic Designer

Black Diamond’s Next Chapter

Black Diamond is entering a period of significant transition. Continued population growth will bring new opportunities to strengthen community amenities, support local businesses, improve infrastructure, and invest in our long-term sustainability. At the same time, this growth will create pressure on City services, facilities, staffing, and systems.

Population growth is already well underway. Black Diamond’s population increased by 60% between 2000 and 2026, making it one of the fastest-growing communities in Washington, according to a 2026 analysis by The Seattle Times.

This Strategic Plan charts a course for Black Diamond's future that embraces the projected growth while protecting the qualities that make this community special. It focuses on four interconnected priorities:

- Articulating a shared vision for each of the city's distinct features and initiating the land use and infrastructure planning needed to guide where and how public and private development occurs.
- Planning for growth of Black Diamond’s park and recreation amenities.
- Advancing the community’s economic and fiscal health.
- Strengthening the organizational foundation that will allow the City to deliver on its commitments.

The plan takes a start-with-the-end-in-mind approach. By first sketching the future we want, we can work backwards to identify the concrete steps needed to get there.

Guiding Themes

The following ideas inform the focus of this plan.

- **One Black Diamond.** As our community grows, we have an opportunity to strengthen connections across neighborhoods, generations, and areas of town. This includes fostering a shared community identity and improving physical and social connectivity.
- **Lead During a Period of Change.** Periods of growth and transition require leadership, long-term thinking, and willingness to take the first step. The City has an important role in setting a vision, building partnerships, communicating with residents, and proactively preparing for the future rather than reacting to change after it has happened.
- **Build Step by Step.** Black Diamond cannot accomplish every priority at once. The City will take a phased approach to implementation, recognizing that investments in staffing, infrastructure, parks, and services will evolve alongside population growth and available resources.
- **Collaborate Regionally.** Black Diamond’s future is connected to that of the broader region. Partnerships with Covington, Enumclaw, Maple Valley, and others will be essential to advance infrastructure, recreation opportunities, and economic development.

Summary of our Priorities for 2027 to 2031

I. Build a Connected and Distinct Community

II. Provide Parks and Recreation Amenities for Residents and Visitors

III. Strengthen Black Diamond's Economic Vitality and Financial Sustainability

IV. Enhance City Capacity and Operations

I. Build a Connected and Distinct Community

What we're working toward: 20-year desired outcomes

A strong sense of place reflects a distinctive Black Diamond character as a small, family-friendly town with a strong connection to our beautiful natural environment. The community is well-planned with distinct features that include:

- A strong gateway along SR-169 that welcomes residents home and visitors to Black Diamond.
- A robust network of roads, sidewalks, and trails that facilitates travel across the community.
- A distinct, walkable downtown with services and gathering places for residents and visitors.
- Celebrated historic assets.
- Commercial development that meets residents' daily needs, serves visitors, and provides space for small-scale light industrial and manufacturing uses.
- Highly functional spaces for community events that build social cohesion and a sense of One Black Diamond.
- A central location for City offices and functions.

Our 2027-2031 commitments

A. Establish and communicate visions and plans that describe the desired development of key opportunity areas within Black Diamond, including:
   - Lake Sawyer
   - Lawson Hills
   - Old Town
   - Pipeline Road
   - Roberts Drive
   - SR-169 Corridor
   - Ten Trails

B. Update the City's land use plans, development regulations, and infrastructure investment priorities to advance the vision for each opportunity area.

C. Develop gathering spaces for community events and everyday use.

D. Strengthen the City's ability to communicate with residents and establish a strong identity that conveys Black Diamond's desired future.

II. Provide Parks and Recreation Amenities for Residents and Visitors

What we're working toward: 20-year desired outcomes

Black Diamond's robust parks and recreation offerings draw visitors from the region. Each park has a distinctive flavor and a special feature. Lake Sawyer Regional Park is a well-visited and well-loved regional asset with open spaces and recreation opportunities. Black Diamond is well-connected to regional trails and has an interior network of local trails that connect various parts of the community, including from Lake Sawyer to the new downtown.

A significant portion of the community is preserved as a connected network of open spaces maintained by City, regional, and homeowner association contributions.

Our 2027-2031 commitments

A. Establish a vision and clear plan for a robust system of future parks and trail connections.

B. Develop a shared vision and invest in Lake Sawyer Regional Park to establish it as a major asset to the community and region.

C. Explore regional partnerships to provide more recreation options for residents.

D. Preserve open spaces, wetlands, and riparian buffers as the City develops.

III. Strengthen Black Diamond's Economic Vitality and Financial Sustainability

What we're working toward: 20-year desired outcomes

Black Diamond features a vibrant economy, with strong local businesses that contribute to a sense of place and a distinctive Black Diamond character. Residents can meet their daily needs through a mix of local businesses, regional or national retailers, and professional service providers, including a satellite hospital or urgent care facility. Visitors have compelling reasons to stop, shop, and eat in Black Diamond. Economic vibrancy supports the sustainable delivery of high-quality city services.

Our 2027-2031 commitments

A. Raise community awareness of the City's financial position and its ability to provide sustainable municipal services while investing resources in Strategic Plan priorities.

B. Explore partnerships and programming options to support small business development.

C. Model the City's projected revenues and expenditures as it grows to ensure fiscal responsibility while investing in additional staff and services.

IV. Enhance City Capacity and Operations

What we're working toward: 20-year desired outcomes

The City of Black Diamond is a high-performing organization with a strong and positive culture, opportunities for staff development, and a reputation as a great place to work. It is a mature, mission- and data-driven municipal operation with appropriate organizational structure, capacity, and internal systems. City services are co-located on a new civic campus that enhances services for residents and the efficiency and effectiveness of staff collaboration.

Our 2027-2031 commitments

A. Strengthen the City as a data-driven organization, committed to continuous improvement, with strong internal systems and processes.

B. Foster strong internal communication and coordination.

C. Begin planning for a new civic campus.

Implementing the Strategic Plan

Black Diamond is committed to keeping the community informed as it implements the priorities established in this Strategic Plan. The City will provide regular progress updates and conduct a formal implementation update every two years. Each update will assess progress made and identify next steps for the coming two years.

These implementation steps will shape the City's budget, departmental workplans, and day-to-day operations, keeping the Strategic Plan responsive to changing needs and opportunities.

Implementation Roles

- **City Council** guides the strategic direction of the City.
- The **City Administrator** is responsible for maintenance of and reporting on the Strategic Plan.
- The City’s **Leadership Team** will collectively review progress and manage implementation.
- **Leads** will be established for each task, along with supporting roles, resource needs, and target milestones. This information will be captured in detailed two-year Implementation Plan.

Implementation Cycle

- **Review and prioritize.** Every two years, Council and staff review progress and identify priorities for the coming biennium.
- **Plan and align.** The Leadership Team then translates priorities into actions, responsibilities, milestones, and resource needs, which inform the City's budget and departmental workplans.
- **Implement and track.** Throughout the biennium, departments advance identified actions and track progress.
- **Report and adjust.** Along the way, the City provides regular progress updates to the community and adjusts implementation to reflect progress, lessons learned, and changing conditions.

Annual Implementation Cycle