

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

REGULAR AGENDA REQUEST

TO: Board of County Commissioners

FROM: Mark McCauley, County Administrator

DATE: January 6, 2025

SUBJECT: Resolution by the BoCC Authorizing the County Administrator to Execute Interlocal Agreement with the Transportation Benefit District for Staff Support Services.

STATEMENT OF ISSUE:

As discussed with the BoCC on December 16, 2024, and previously, the collection of taxes for the county road fund has been decreasing for years, making it increasingly more difficult to maintain county roads.

Therefore, the BoCC adopted Ordinance No. [10-1216-24](#) on December 16, 2024, which created the Jefferson County Transportation Benefit District (JCTBD). The JCTBD is a separate legal entity, authorized by the state legislature in chapter [36.73](#) RCW to generate additional funds for county road maintenance by collecting from the state up to up to \$20 of the vehicle fee authorized in RCW [82.80.140](#) and up to one-tenth of one percent of the sales and use tax in accordance with RCW [82.14.0455](#). See RCW [36.73.065](#)(4)(a).

By majority vote of its governing board, the JCTBD may authorize the collection of the funds discussed above from the State Department of Licensing and the State Department of Revenue. However, the JCTBD has no staff and no funds until it can begin to collect under RCW [36.73.065](#)(4)(a). As an independent government entity, the JCTBD has authority to enter into interlocal agreements for things like staff support, including legal, clerk support for the JCTBD public meetings, and financial services. Most TBDs contract with the with the municipality that created them for these services rather than hiring staff.

Once the JCTBD holds its first meeting, it may elect a Board Chair, who may be authorized by the JCTBD Board to sign an interlocal agreement for these services. Since the governing board of the JCTBD currently is the BoCC acting in an ex officio and independent capacity, each governmental entity – the BoCC *and* the JCTBD – will need to delegate authority to a representative from their entity to sign an ILA for the use of county staff support services.

Staff recommend that the BoCC authorize the County Administrator to approve and sign an interlocal agreement with the JCTBD for these staff and administrative support services on behalf of the county so there are separate signatories on the ILA – the County Administrator for Jefferson County as authorized by the BoCC and the JCTBD Board Chair representing the

JCTBD Board.

ANALYSIS: The proposed interlocal agreement (ILA) will authorize Jefferson County staff to provide necessary services to the JCTBD as well as authorize charging appropriate overhead amounts. This is not a conflict of interest for staff, as the JCTBD is a funding entity for county road projects. The proposed resolution would also ratify any actions by county staff in forming and supporting the JCTBD prior to signing the interlocal agreement – for the example, staff time setting up the Special Meeting for the JCTBD meeting to properly occur on January 6, 2025, and drafting proposed documents for consideration during that meeting.

If Jefferson County assumes the JCTBD pursuant to chapter [36.74](#) RCW, this interlocal agreement would no longer be needed and would terminate. This is because the assumption process changes the governing body of the JCTBD from the BoCC serving in an ex officio status to being the BoCC. The BoCC would then be the governing body for *both* Jefferson County and the JCTBD. The JCTBD would still exist as a separate quasi-municipal corporation funding entity, but the governing body would no longer be the BoCC acting in an ex officio and independent status, and would just be the governing body of the BoCC in its normal BoCC capacity. The procedural steps for assumption are outlined in chapter [36.74](#) RCW.

FISCAL IMPACT: The proposed interlocal agreement will authorize Jefferson County staff to provide the necessary services to the TBD, as well as authorizing appropriate charges for allowable overhead amounts.

RECOMMENDATION:

Move to approve the proposed Resolution Authorizing the County Administrator to execute the proposed Interlocal Agreement with the JCTBD for reasonable staff support and related administrative services.

REVIEWED BY:


Mark McCauley, County Administrator

1/2/25
Date

STATE OF WASHINGTON
County of Jefferson

**In the Matter of Authorizing the Jefferson
County Administrator to Execute an
Interlocal Agreement with The Governing
Body of the Newly Formed Jefferson County
Transportation Benefit District**

RESOLUTION NO.

WHEREAS, chapter [39.34](#) RCW (Interlocal Cooperation Act) permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage; and

WHEREAS, the county is empowered to operate, maintain, construct, and reconstruct, public street infrastructure within unincorporated Jefferson County in accordance with the powers granted pursuant to state law, including without limitation chapter [36.75](#) RCW; and

WHEREAS, pursuant to Ordinance No. [10-1216-24](#), codified in Chapter 3.90 of the Jefferson County Code (JCC), the county established the Jefferson County Transportation Benefit District (JCTBD) for any purpose allowed by law, including to operate the JCTBD and to make transportation improvements consistent with existing state, regional, and local transportation plans; and

WHEREAS, the county and the JCTBD desire to coordinate their efforts in order to pursue their individual, joint, and mutual rights and obligations to maintain and preserve county roads and related transportation infrastructure within unincorporated Jefferson County; and

WHEREAS, the Board of County Commissioners hereby authorizes the County Administrator to work with appropriate staff and legal to prepare an interlocal agreement for said services and execute on behalf of Jefferson County; and

NOW, THEREFORE, THE BOARD OF COUNTY COMMISSIONERS OF JEFFERSON COUNTY, WASHINGTON, HEREBY RESOLVE AS FOLLOWS:

Section 1. Whereas Clauses are Findings of Fact. The Jefferson County Board of Commissioners hereby adopts the above "Whereas" clauses as Findings of Fact.

Section 2. Authority to Execute an Interlocal Agreement with the Jefferson County Transportation Benefit District. The County Administrator is authorized to execute the Interlocal Agreement with the JCTBD for staff support and staff services.

Section 3. Actions confirmed and ratified. Actions by Jefferson County staff to support the JCTBD prior to signing the Interlocal Agreement are confirmed and ratified.

Section 4. Severability. If any section, subsection, sentence, clause, or phrase of this Resolution or its application to any person or circumstance is held invalid, the remainder of this resolution or its application to other persons or circumstances shall be fully valid and shall not be affected.

Section 5. SEPA Categorical Exemption. This resolution is categorically exempt from the State Environmental Policy Act under WAC [197-11-800](#)(19).

Section 6. Effective Date. This resolution shall take effect and be in full force immediately upon approval and adoption by the Board of County Commissioners.

(SIGNATURES FOLLOW ON THE NEXT PAGE)

ADOPTED and APPROVED this _____ day of _____, 2025.

SEAL:

JEFFERSON COUNTY BOARD OF
COUNTY COMMISSIONERS

Heidi Eisenhour, Chair
Commissioner, District 2

Greg Brotherton, Member
Commissioner, District 3

Heather Dudley-Nollette, Member
Commissioner, District 1

ATTEST:

APPROVED AS TO FORM:

Carolyn Gallaway, CMC Date
Clerk of the Board

Philip C. Hunsucker, Date
Chief Civil Deputy Prosecuting Attorney

**INTERLOCAL AGREEMENT
BETWEEN THE JEFFERSON COUNTY AND
THE JEFFERSON COUNTY TRANSPORTATION BENEFIT DISTRICT**

This Interlocal Agreement (Agreement) between Jefferson County (County), a political subdivision under the laws of the State of Washington and the Transportation Benefit District for unincorporated Jefferson County (JCTBD), a quasi-municipal corporation under the laws of the State of Washington, (collectively the Parties) is hereby dated and made effective this _____ day of _____ 2025.

WHEREAS, chapter [39.34](#) RCW (Interlocal Cooperation Act) permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage; and

WHEREAS, Jefferson County is empowered to operate, maintain, construct, and reconstruct, public street infrastructure within unincorporated Jefferson County in accordance with the powers granted pursuant to state law, including without limitation chapter [36.75](#) RCW; and

WHEREAS, pursuant to Ordinance No. [10-1216-24](#), to be codified in Chapter 3.90 Jefferson County Code (JCC), the County established a Transportation Benefit District consisting of unincorporated Jefferson County for any purpose allowed by law, including to operate the JCTBD and to make transportation improvements consistent with existing state, regional, and local transportation plans; and

WHEREAS, Jefferson County and the JCTBD desire to better coordinate their efforts in order to pursue their individual, joint, and mutual rights and obligations to maintain and preserve road and related transportation infrastructure within unincorporated Jefferson County;

NOW, THEREFORE, the Parties have entered into this Agreement in consideration of the mutual benefits to be derived and to coordinate their efforts through the structure provided by the Interlocal Cooperation Act.

1. Purpose and Interpretation

Jefferson County is empowered by chapter [36.75](#) RCW to construct, reconstruct, maintain, and preserve county roads and other related public infrastructure either by contract or through the use of county forces. The JCTBD has been constituted in accordance with state law to provide a source of funding for transportation improvements that preserve, maintain, and improve the transportation infrastructure and related infrastructure in unincorporated Jefferson County. The JCTBD has no employees and its officers are the Jefferson County Board of County Commissioners serving in an ex officio capacity. In order to make the most efficient use of public monies, to avoid duplication of effort, and to coordinate their efforts, the Parties have entered into this Agreement. In the event of ambiguity or the need for guidance arises, this Agreement shall be interpreted in accordance with the provisions of Chapter 3.90 Jefferson County Code, Chapter [36.73](#) RCW, and the provisions of the Governmental Accounting Act, RCW [43.09.200](#) *et seq.* as the same exists or shall hereafter be amended.

2. Obligations of the Transportation Benefit District.

In accordance with the requirements of the Chapter [36.73](#) RCW and Chapter 3.90 JCC, the JCTBD agrees to:

- A. Provide to the county all funding received for any and all lawful sources that the JCTBD, in its sole discretion, may receive for the purpose of completing the JCTBD's authorized projects.
- B. Continue the annual provision of funding for transportation improvements approved by the JCTBD, so long as the JCTBD remains in existence. Such funding shall be in accordance with and limited by the provisions in Chapter 3.90 JCC and Chapter [36.73](#) RCW.
- C. Develop an annual work plan and designate projects within its jurisdiction for funding.

3. Obligations of Jefferson County.

The County shall:

- A. Provide all staff and necessary related support to the JCTBD. The costs of such support shall be accounted for as part of the County's annual report to the JCTBD. JCTBD funding shall first be applied to the reasonable charges incurred in establishing and staffing the JCTBD. Annual services provided may include the services provided by the Prosecuting Attorney's Office, the Clerk of the Board of County Commissioners when serving as the Clerk for the JCTBD, the County Treasurer when serving as its Treasurer, the Department of Public Works, the Central Services Department, and employees of the County that serve the JCTBD and any associated costs including but not limited to, the preparation of an annual work plan, reporting, advertising, design, contracting, construction management, accounting, and any and all other actual charges or agreed upon percentage of charges associated with the proper application of JCTBD funding in accordance with law and ordinance. In consideration of the benefits derived by the County, overhead charges such as utilities, information technology, office supplies, and equipment shall be a contribution of the County to the Parties' joint goals and objectives and need not be directly charged to the JCTBD.
- B. Maintain for the period established by the State Archivist retention schedule, financial records, kept in accordance with general accepted accounting practice and governmental accounting requirements, as necessary to document that any and all funding received through the JCTBD is used only for the projects in accordance with law and ordinance.
- C. Immediately alert the JCTBD of any material changes in scope, schedule, or cost increases of 20% or greater to improvements funded in part or whole

with JCTBD funds.

- D. Utilize funding provided for projects shown on the JCTBD's annual work plan in accordance with the JCTBD's material change policy, law, and ordinance. In doing so, it is the intent of the Parties that this funding supplement, not replace, existing County funding sources for road improvements.

4. Ownership.

Roads and related transportation infrastructure preserved, maintained, and improved with JCTBD funds are and shall remain the property of the County. No joint property ownership is contemplated under the terms of this Agreement.

5. No Joint Board.

No provision is made for a joint board. The JCTBD shall exercise its function in accordance with Chapter [36.73](#) RCW and Chapter 3.90 JCC, including any future amendments thereto, using staff as provided by the County, pursuant to law and to this Agreement.

6. Mutual Indemnity.

For its comparative liability, each Party agrees to indemnify, defend and hold the other Party, its officers, officials, employees, agents and volunteers (and their marital communities), harmless from and against any claims, damages, losses and expenses, including but not limited to court costs, attorney's fees and alternative dispute resolution costs, for any personal injury, for any bodily injury, sickness, disease or death and for any damage to or destruction of any property (including the loss of use resulting therefrom) which are alleged or proven to be caused by an act or omission, negligent or otherwise, of its officers, officials, employees, agents or volunteers (and their marital communities). A Party shall not be required to indemnify, defend, or hold the other Party or its officers, officials, employees, agents and volunteers (and their marital communities) harmless if the claim, damage, loss or expense for personal injury, for any bodily injury, sickness, disease or death or for any damage to or destruction of any property (including the loss of use resulting therefrom) is caused by the sole act or omission of the other Party or its officers, officials, employees, agents or volunteers. If any concurrent act occurs or omission of the Parties and their officers, officials, employees, agents and volunteers, negligent or otherwise, these indemnity provisions shall be valid and enforceable only for the comparative liability of each Party and its officers, officials, employees, agents or volunteers. The Parties agree to maintain a consolidated defense to claims made against them and to reserve all indemnity claims against each other until after liability to the claimant and damages are adjudicated. If any claim is resolved by voluntary settlement and the Parties cannot agree upon apportionment of damages and defense costs, they shall submit apportionment to binding arbitration. The indemnification obligations of the Parties shall not be limited by the Washington State Industrial Insurance Act, title [51](#) RCW, or by application of any other workmen's compensation act, disability benefit act or other employee benefit act. Each Party expressly waives any immunity afforded by such acts to

the extent required by a Party's obligations to indemnify, defend and hold harmless the other Party, its officers, officials, employees, agents and volunteers (and their marital communities). A Party's waiver of immunity does not extend to claims made by its own employees directly against that Party as employer. The indemnity provisions of this section are a material inducement to enter into this Agreement and have been mutually negotiated. This section shall survive the expiration or termination of this Agreement.

7. Compliance with Laws.

Each Party accepts responsibility for compliance with federal, state or local laws and a regulation including, in particular, that Party's bidding requirements applicable to the acquisition of any goods, services, or equipment obtained through the cooperative process agreed to herein.

8. Effective Date.

This Agreement shall be effective upon the last authorizing signature affixed hereto and when filed with the county auditor as required by RCW [39.34.040](#).

9. Termination.

This Agreement shall terminate or expire as follows:

- A. This Agreement shall automatically expire upon the JCTBD being assumed by Jefferson County pursuant to RCW [36.74](#).
- B. This Agreement may be terminated by either Party upon the provision of ten (10) calendar days' notice. A Resolution by the Jefferson County Board of Commissioners indicating its intent to assume the Jefferson County Transportation Benefit District pursuant to RCW [36.74](#) also serves as sufficient notice of termination under this section.
- C. A final reconciliation of costs, payments, and a current report of completed activities to date shall be completed by both Jefferson County and the JCTBD within such period following notice by either Party.
- C. Unless sooner terminated by either Party, this Agreement shall expire on the date the JCTBD is automatically dissolved in accordance with the provisions of RCW [36.73.170](#) and Chapter 3.90 JCC, as the same exists or are hereafter amended.

10. Survival.

Those provisions of this Agreement that by their sense and purpose should survive the term of this Agreement. Without limiting the generality of the preceding sentence, and for the avoidance of doubt, the provisions that survive the term of this Agreement include: controlling law and indemnification.

11. Severability.

Any provision of this Agreement held to be prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions or affecting the validity or enforcement of such provisions.

12. Contact Persons:

The Parties stipulate that the following persons shall be the contact person for their respective jurisdiction.

JEFFERSON COUNTY:

Mark McCauley
County Administrator
Jefferson County
1820 Jefferson St., Port Townsend, WA 98368
Phone: (360) 385-2130

TRANSPORTATION BENEFIT DISTRICT:

JCTBD Chair
1820 Jefferson Street
Port Townsend, WA 98368
Phone: 360-385-9100

13. Recording.

A copy of this Agreement shall be recorded by Jefferson County in the Jefferson County Auditor's Office.

14. General Provisions.

A. No new or separate legal or administrative entity is created to administer the provisions of this Agreement.

B. This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement.

C. No provision of this Agreement may be amended or modified except by written agreement signed by the Parties.

D. This Agreement shall be binding upon and inure to the benefit of the Parties' successors in interest, heirs and assigns.

E. The Parties do not intend, and nothing in this Agreement shall be construed to mean, that any provision in this Agreement is to benefit any person or entity who is not a Party.

F. This Agreement may be amended or supplemented only by a writing signed by duly authorized representatives of all the Parties.

G. This Agreement may be executed in one or more 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 of this Agreement, so long as all the Parties execute a counterpart of this Agreement.

H. The Parties agree that facsimile and electronic signatures shall have the same force and effect as original signatures.

I. Any provision of this Agreement or either Party places the enforcement of this Agreement in the hands of an attorney, or files a lawsuit, each Party shall pay all its own attorneys' fees, costs and expenses.

J. It is understood and agreed this Agreement is entered into in the State of Washington. This Agreement shall be governed by and construed under the laws of the United States, the State of Washington and the County of Jefferson, as if applied to transactions entered into and to be performed wholly within Jefferson County, Washington between Jefferson County residents. No Party shall argue or assert that any state law other than Washington law applies to the governance or construction of this Agreement.

K. The venue for any legal action shall be solely in the appropriate state court in Jefferson County, Washington, subject to the venue provisions for actions against counties in RCW [36.01.050](#).

L. The County shall be responsible for compliance with the Washington Public Records Act, Chapter [42.56](#) RCW (as may be amended) for both Parties. This Agreement, once executed, will be a "public record" subject to production to a third-party if it is requested under the Chapter [42.56](#) RCW.

M. No Party may sell, transfer or assign any rights or benefits under this Agreement without the written approval of all the Parties.

(SIGNATURES FOLLOW ON NEXT PAGE)

JEFFERSON COUNTY

**TRANSPORTATION BENEFIT
DISTRICT**

By: _____
Mark McCauley, County Administrator
Date:

By: _____
Heidi Eisenhour, Chair
Date:

SEAL:

ATTEST:

Carolyn Galloway, CMC Date
Clerk of the Board

Approved as to form only:

Philip C. Hunsucker, Date
Chief Civil Deputy Prosecuting Attorney