

MOTION NO. 9292

1
2 A MOTION authorizing an interlocal agreement
3 between King County and the City of Bellevue to
4 prorate and transfer to the City of Bellevue
5 surface water management service charge revenues
6 collected by King County in areas annexed by the
7 City of Bellevue during 1993, and to establish
8 procedures for surface water management service
9 charge billing for areas annexed by the City of
10 Bellevue after January 1, 1994.

11 WHEREAS, in 1993, the city of Bellevue, hereinafter referred to as
12 the "city," annexed twelve areas of unincorporated King County, and

13 WHEREAS, the city replaced King County as the provider of surface
14 water management services in each annexation area as of the annexation
15 effective date, and

16 WHEREAS, to cover the cost of service provision, the city has
17 requested that King County transfer to the city the amount of 1993 surface
18 water service charge revenue that King County collected in nine of these
19 annexation areas for the periods after the effective dates of annexation,
20 and

21 WHEREAS, the revenues from the remaining three annexation areas were
22 not eligible for transfer, as two were exempt from King County surface
23 water management service charges and one was annexed just prior to the
24 year's end, and

25 WHEREAS, K.C.C. 9.08.090 sets forth the procedure for prorating the
26 annual surface water management service charge in the case of annexations
27 occurring in the course of the year, and

28 WHEREAS, the city and King County wish to establish and implement
29 efficient procedures for surface water management service charge billing
30 and collection for annexations by the city taking place after January 1,
31 1994;
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NOW THEREFORE, BE IT MOVED by the Council of King County:

The King County executive is hereby authorized to enter into an interlocal agreement in substantially the form of the attached agreement to transfer 1993 surface water management service charge revenue from King County to the city and to establish procedures for service charge billing for annexed areas after January 1, 1994.

PASSED this 31st day of May, 1994.

Passed by a vote of 10-0.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Kent Pullen
Chair

ATTEST:

Gerald A. Peterson
Clerk of the Council

Attachments:

- City of Bellevue Interlocal Agreement
- 1993 King County SWM Service Charge Rate Table
- 1993 Bellevue Annexation Areas SWM Service Charge Billing/Revenues
- King County Public Rule on Debt Service Collection

9 29 2

**INTERLOCAL AGREEMENT BETWEEN
KING COUNTY AND THE CITY OF BELLEVUE TO
TRANSFER SURFACE WATER MANAGEMENT SERVICE CHARGE REVENUE**

This agreement is made and entered into by King County, Washington, hereinafter referred to as the "County," and the City of Bellevue, hereinafter referred to as "Bellevue," to establish procedures for managing surface water management service provision and service charge transitions arising from past and future annexations to Bellevue.

WHEREAS, in 1993 Bellevue annexed 12 areas of unincorporated King County; and

WHEREAS, for each annexed area King County collected surface water service charge revenues for the period January 1, 1993 to the end of the billing quarter in which each annexation took place; and

WHEREAS, Bellevue replaced King County as the provider of surface water management services in each annexation area as of the effective date of annexation; and

WHEREAS, Bellevue requests that King County transfer to Bellevue revenues for the period from the effective date of annexation to the end of the billing quarter in which specific annexations took place, to cover the cost of services provided during that period; and

WHEREAS, Bellevue and King County wish to establish and implement efficient procedures for managing surface water service charge billing transitions associated with both past and future annexations to Bellevue; and

WHEREAS, King County Code Section 9.08.090 sets forth the procedure for prorating the annual surface water management charge in the case of annexations occurring in the course of the billing year; and

WHEREAS, pursuant to Chapter 39.34 R.C.W., the Interlocal Cooperation Act, the parties are authorized to enter into an agreement for cooperative action:

NOW THEREFORE, the parties mutually agree as follows:

I. Purpose

- A. The purpose of this Agreement is to provide for the proration and transfer to Bellevue of surface water management service charge revenue received by King County from owners of property located in specified areas annexed to Bellevue in 1993.**
- B. The purpose of this Agreement is to establish usual and customary procedures for service charge billing collection and transfer for future annexations of areas of unincorporated King County to Bellevue.**

II. Agreement Administration

- A. Bellevue and King County shall each appoint a representative to review compliance with this Agreement and to resolve any conflicts. Bellevue and King County shall notify the other in writing of its designated representative(s). The administrators of the Agreement shall meet as needed. Either party is authorized to convene a meeting with a minimum of ten (10) calendar days written notice to the other.**
- B. Any conflict that is not resolved by the Agreement administrators within ten (10) working days of the meeting held to discuss the conflict shall be referred to the Bellevue City Manager and the King County Director of Public Works, who shall resolve the conflict.**

III. Findings

- A. Pursuant to King County Code Section 9.08.090, King County bills the surface water management service charge to owners of developed property of record as of November 1 of the preceding year. Billing amounts for King County are as listed in the King County Rate Table attached to this Agreement as Exhibit A and incorporated herein.**
- B. King County Code Section 9.08.090 states that annexed properties will be subject to the County surface water management service charge of one-quarter of the annual**

service charge for each quarter of the billing year during which the property was in unincorporated King County for one or more days.

1. King County's surface water management service charge for the billing year in which annexation occurs may be subject to a proration formula when included in an interlocal agreement between King County and the annexing jurisdiction.
- C. In 1993 Bellevue annexed 12 areas of unincorporated King County between January 13 and December 22 and has plans to annex additional areas of unincorporated King County in the future. The annexations completed in 1993 are characterized and grouped into categories I, II, and III on Exhibit B, attached to this Agreement and incorporated herein.
- D. Bellevue has provided property owners in each annexation area with surface water management services since the respective annexation effective dates. Bellevue has requested that for the areas specified on Exhibit B, King County transfer to the City service charge revenues for the periods approximately covering the annexation effective dates to the end of the billing quarter to cover the cost of services provided by Bellevue during these periods. Amounts to be transferred and their corresponding time periods are specified on Exhibit B and are grouped into three categories: I, II, and III.
- E. King County will transfer to Bellevue the revenues collected from the property owners in each of the annexed areas shown on Exhibit B as follows:
1. For annexations in Group I, King County rebilled property owners for surface water management charges for the period from January 1, 1993 to the end of the quarter in which the annexation became effective. By this Agreement, King County will transfer to Bellevue a prorated amount representing the approximate

period from the date of annexation to the end of the quarter in which the annexation became effective.

- 2. For annexations in Group II, King County did not rebill property owners and, by this agreement, will transfer to Bellevue a prorated amount representing the last quarter of 1993 or the approximate period from the date of the annexation to the end of the year.
- 3. For annexations in Group III, King County will retain the revenue for 1993.

F. Bellevue anticipates annexing further areas of unincorporated King County in 1994 and beyond. Bellevue also anticipates providing surface water management services to these areas and billing property owners for services as of approximately the annexation effective dates. To facilitate the service provision and billing transition, Bellevue and King County will implement procedures for handling the surface water management service charge revenue in future annexations as set forth below.

Responsibilities for the procedures are set forth in Section IV.

- King County will bill unincorporated areas as usual for the entire annual surface water service charge.
- Bellevue will provide King County timely notice of and pertinent information regarding impending annexations, after which King County will revise the accounts of annexation area property owners to reflect the amount of County surface water service charge representing January 1 of the annexation year to approximately the annexation effective date. Proration of revenues will take place pursuant to K.C.C. 9.08.090.
- Bellevue will provide services and bill annexation area property owners as of approximately the annexation effective date.

G. King County will continue to bill property owners for the debt service portion of the King County surface water management service charge in accordance with R.C.W. 36.89.100 and K.C.C. 9.08.20 as set forth in Public Rule, FIN 8-2(PR), attached to this Agreement as Exhibit C and incorporated herein.

IV. Responsibilities of the Parties

A. Revenue Transfer for 1993 Annexations

1. King County

- a. Within 30 days of the effective date of this Agreement, King County will forward to Bellevue the prorated amount of billed service charge for the 1993 annexation areas specified on Exhibit B. The total amount transferred will be \$38,181.97.
- b. King County will prepare and forward to Bellevue an invoice for the costs associated with revising 1993 billings for annexation-area property owners to reflect the change from a full year's to a quarter-year's service charge. Such costs include, but are not limited to, the cost of recalculating and reissuing bills, preparing and issuing refunds, producing reports, accessing the County computer system, other related non-administrative tasks, and overhead.

2. Bellevue

For charges related to 1993 billing revisions and revenue transfer, Bellevue will remit the invoiced amount to King County within 60 days of receipt of the invoice.

1. Both Parties

For each annexation, the parties will determine a surface water service charge billing cutoff date to represent the point at which the King County service charge will no longer apply and the Bellevue service charge will commence.

2. King County

- a. Within 15 working days of receipt of an annexation area map and list of parcels within the annexation area, King County will prepare and transmit to Bellevue a list of any discrepancies between the numbers and types of service charge accounts documented by Bellevue and King County.
- b. After reconciliation of account numbers and types, King County will in a timely manner revise the accounts of annexation area property owners to reflect the amount of County surface water service charge representing January 1 of the annexation year to the billing cutoff date. The revised amount will include the debt service portion of the King County service charge.
- c. After revising property owner accounts, King County will at its discretion issue revised billing statements to reflect the change in the amount of King County surface water service charge. In the instance of an annexation occurring too late in the year for revised billing statements to be issued, King County will refund the appropriate amount of service charge directly to property owners and advise Bellevue of the approximate refund date.
- d. As of January 1 of the year following an annexation, King County will bill annexation area property owners for only that portion of the King County surface water service charge which represents debt service.

- e. Should King County be called upon to devote staff time to reconciling annexation area accounts which is beyond that normally devoted to processing account changes due to annexations, King County will prepare and forward to Bellevue an invoice for the costs associated with this extraordinary activity.

3. Bellevue

- a. Within 15 working days of the effective date of all annexations occurring in 1994 or thereafter, Bellevue will provide King County with a map of the annexation area clearly showing annexation boundaries, and a list of all King County parcels to be removed from the County surface water service charge billing system.
- b. Bellevue will make staff available to assist King County staff in resolving any discrepancies arising between City- and County-prepared lists of surface water service charge accounts in annexation areas.
- c. Should King County invoice Bellevue for costs associated with extraordinary staff time devoted to reconciling annexation area accounts, Bellevue will remit the invoiced amount to King County within 60 days of receipt of the invoice.

V. Duration and Effectiveness

This agreement shall become effective upon signature by all parties to this agreement and shall remain in effect in perpetuity.

VI. Amendment and Termination

- A. This agreement may be amended, altered or clarified only by written agreement of the parties hereto.
- B. This agreement may be terminated by either party upon sixty days written notice.

VII. Hold Harmless and Indemnification

Each party hereto agrees to defend, indemnify and hold harmless the other party, its officers, agents and employees for all claims (including demands, suits, penalties, losses, damages or costs of any kind whatsoever) to the extent such a claim arises or is caused by the indemnifying party's own negligence or that of its officers, agents or employees in performance of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the _____ day of _____, 1994.

Approved as to form:

KING COUNTY:

Deputy Prosecuting Attorney

King County Executive

CITY OF BELLEVUE:

City Attorney

City Manager

Exhibit A

1993 King County Surface Water Management Service Charges

There are two types of services charges: the flat rate and the sliding rate.

- The flat rate service charge of \$85.02 a year applies to single-family homes and parcels with 10% or less impervious surface.
- The sliding rate service charge applies to all other properties in the service area. The sliding rate is calculated by measuring the amount of impervious surface on each parcel and multiplying the appropriate rate by the total parcel acreage.

Several special rate categories will automatically be assigned to those who qualify:

- An exemption for any home owned and occupied by a low-income senior citizen determined by the Assessor to qualify under RCW 84.36.381.
- A discount for any parcel served by a County-approved retention/detention (R/D) facility maintained by the owner.
- A discount for any parcel (or part of a parcel) officially designated as open space.

1993 Rate Table

Rate Category	Percent Impervious Surface	Annual Service Charge (\$)
1) Residential: single-family home		85.02/parcel
2) Very Light	less than or equal to 10%	85.02/parcel
3) Light	more than 10%, less than or equal to 20%	198.40/acre
4) Moderate	more than 20%, less than or equal to 45%	410.98/acre
5) Moderately Heavy	more than 45%, less than or equal to 65%	793.60/acre
6) Heavy	more than 65%, less than or equal to 85%	1006.16/acre
7) Very Heavy	more than 85%, less than or equal to 100%	1317.94/acre

Rate Adjustments

Any person receiving a bill may file a request for a rate adjustment within two years of the billing date. (Filing a request will not extend the payment period.)

Property owners should file a request for a change in the rate assessed if:

- the property acreage is incorrect;
- the measured impervious surface is incorrect;
- the property is charged a sliding fee when the fee should be flat;
- the person or property qualifies for an exemption or discount; or
- the property is wholly or in part outside the service area.

**1993 Bellevue Annexation Areas
King County Surface Water Service Charge Billing and Revenues**

Annexation Area	Effective Date	Billing Quarter	Re-billed by County for partial year?	Final 1993 Billing Amount	...for period	Revenue to be transferred...	...for period
GROUP I							
Lake Heights	1/13/93	1	Yes	3,426.75	1/1/93 to 3/31/93	2,855.63	1/15/93 to 3/31/93
Newport Hills	1/27/93	1	Yes	33,433.43	1/1/93 to 3/31/93	22,288.96	2/1/93 to 3/31/93
Garden of Eden	2/24/93	1	Yes	3401.60	1/1/93 to 3/31/93	1,133.87	3/1/93 to 3/31/93
South Newport I	4/14/93	2	Yes	5313.75	1/1/93 to 6/30/93	2,214.08	4/15/93 to 6/30/93
Lower Somerset	5/05/93	2	Yes	6885.60	1/1/93 to 6/30/93	2,295.20	5/1/93 to 6/30/93
South Newport II	8/04/93	3	Yes	21,063.06	1/1/93 to 9/30/93	4,680.68	8/1/93 to 9/30/93
Pembrooke/ Newport	08/04/93	3	Yes	8,671.36	1/1/93 to 9/30/93	1,926.96	8/1/93 to 9/30/93
GROUP II							
Balentrae Square	9/29/93	4	No	3,501.42	1/1/93 to 12/31/93	775.73*	10/1/93 to 12/31/93
Weowna	10/20/93	4	No	85.02	1/1/93 to 12/31/93	10.86*	10/15/93 to 12/21/93
GROUP III							
Factoria	12/22/93	4	No	N/A	1/1/93 to 12/31/93	N/A	N/A
TOTALS				85,781.99		38,181.97	

* Pursuant to legislation described in Agreement Section , debt service has been subtracted from revenue transfer amounts for the Balentrae Square and Weowna annexation areas.

Note: Areas also annexed to Bellevue in 1993 but not charged a King County surface water management service charge are Summit 5 (no developed properties); and Newport High School (service charge exempt).



Title DEBT SERVICE COLLECTION	Document Code No FIN 8-2 (PR)
Department/Issuing Agency Department of Public Works/Surface Water Management Division	Effective Date November 30, 1993
Approved <i>[Signature]</i>	

1.0 SUBJECT TITLE: Debt Service Collection

- 1.1 EFFECTIVE DATE: Thirty days after filing with the Clerk of the King County Council.
- 1.2 TYPE OF ACTION: New
- 1.3 KEYWORDS: (1) Debt Service; (2) Surface Water Management (SWM) Service Charge (3) Service Charge (4) Annexations and Incorporations

2.0 PURPOSE:

- 2.1 To establish uniform procedures for collecting the debt service portion of the Surface Water Management service charge in areas that annex or incorporate.
- 2.2 To implement King County Code 9.08.020.

3.0 ORGANIZATIONS AFFECTED:

- 3.1 Individuals, organizations, and local government in areas that annex or incorporate.

4.0 REFERENCES: Customer Account Services Section, Surface Water Management Division, 400 Yesler Way, Suite 400, Seattle, Washington, 98104-2637; telephone (206) 296-6519.

4.1 Legal Basis:

- 4.1.1 Revised Code of Washington (RCW) 36.89.080; RCW 36.89.095; RCW 36.89.100.
- 4.1.2 K.C.C. 9.08, Surface Water Management Program.
- 4.1.3 King County Ordinances 8626 (1988); 7817 (1986); 7590 (1986); 10187 (1991); 11015 (1993).
- 4.1.4 King County Public Rule 90.04.080.

5.0 DEFINITIONS:

- 5.1 "Debt service portion" means that portion of the Surface Water Management service charge that is allocated to debt service on bonds.
- 5.2 "Department" means the Department of Public Works.
- 5.3 "Developed parcel" means any parcel altered from the natural state by the construction, creation or addition of impervious surfaces.
- 5.4 "Division" means the Surface Water Management Division.
- 5.5 "Drainage facility" means the system of collecting, conveying, and storing surface and storm water runoff. Drainage facilities shall include but not be limited to all surface and storm water conveyance and containment facilities including streams, pipelines, channels, ditches, swamps, lakes, facilities, erosion/sedimentation control facilities, and other drainage structures and appurtenances, both natural and constructed.
- 5.6 "Rate category" means the classification in K.C.C. 9.08 given to a parcel in the service area based upon the type of land use on the parcel and the percentage of impervious surface area contained on the parcel.
- 5.7 "Service area" means the area specified in K.C.C. 9.08.10Q.
- 5.8 "Service charge" means the charges for surface and storm water services as specified in K.C.C. 9.08.70.

6.0 POLICIES:

- 6.1 The Department shall continue to charge the debt service portion of the service charge in areas that annex or incorporate in accordance with R.C.W. 36.89.100 and K.C.C. 9.08.20.
- 6.2 The authority for collecting the charges specified in policy 6.1 will be delegated to the Division.
- 6.3 The debt service portion of the service charge for areas annexed or incorporated will not be prorated.
- 6.4 The debt service portion of the service charge will not be discounted for drainage facilities as specified in K.C.C. 9.08.60.
- 6.5 If a parcel is owned and is the personal residence of a person or persons determined by the county assessor as qualified for a low income senior citizen property tax exemption, the parcel will be

exempt from the debt service portion of the service charge as specified in K.C.C. 9.08.080.

- 6.6 If a parcel is owned or leased by a public school district which provides activities which directly benefit the Surface Water Management program, the debt service portion of the service charge will be reduced as specified in K.C.C. 9.08.080.
- 6.7 The total service charge for developed parcels in the unincorporated portion of the Surface Water Management service area will not exceed those specified in K.C.C. 9.08.070.
- 6.8 The Division may adjust the debt service portion of the rates and charges annually to meet the debt service payments.
- 6.9 The Division will adjust the debt service portion of the rates and charges when the bonds are retired or refinanced.

7.0 PROCEDURES:

7.1 Calculation of the debt service portion of the rate for developed parcels

Responsibility

Action

Division 7.1.1 Calculates the debt service portion of the rate for developed parcels based on the debt service for the bonds issued before the date of annexation or incorporation. The calculation for each bond issue will be as follows:

$$(D/R)*T$$

Where:

D = Average annual debt service of the bond issue
R = Projected annual service charge revenue at the time of the bond issue or at the effective date of Washington State Senate Bill 5675 for the 1993 bond issue.

T = The parcel's non-discounted rate at the time of the bond issue

Division 7.1.2 Bills the property owner for the debt service portion of the service charge using the rate calculated in 7.1.1.