

October 28, 1997

Introduced By:

JANE HAGUE
PETE VON REICHBAUER

Proposed No.:

97-657

MOTION NO. **10367**

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A MOTION authorizing interlocal agreements between King County and the cities of Des Moines and Kirkland for the billing and collection and disbursement of Des Moines and Kirkland surface water management service charge fees and setting the charges for said services.

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WHEREAS, the cities of Des Moines and Kirkland have each established surface water management programs funded by a service charge on developed properties, and

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WHEREAS, King County has a fully developed automated surface water management service charge billing system which can be used for other jurisdictions' billings through interlocal agreement, and

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WHEREAS, the cities have asked King County to provide revenue billing and collection and disbursement services to support the cities' surface water management programs, and

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WHEREAS, King County and the cities recognize that there are efficiencies and economies gained by cooperating in the provision of drainage-related services;

10367

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

2 The county executive is hereby authorized to enter into interlocal agreements in
3 substantially the same form as the attached agreements, for the provision of surface water
4 management service charge billing and revenue collection and disbursement services.

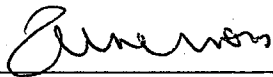
5 PASSED by a vote of 12 to 0 this 15th day of December,

6 1997

7 KING COUNTY COUNCIL
8 KING COUNTY, WASHINGTON

9
10 
Chair

11 ATTEST:

12 

13 Clerk of the Council

14 Attachments:
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1 **INTERLOCAL AGREEMENT BETWEEN KING COUNTY AND**
2 **THE CITY OF DES MOINES**
3 **FOR BILLING AND REVENUE COLLECTION**
4 **FOR SURFACE WATER SERVICE CHARGES**

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6 This agreement is made and entered into between the City of Des Moines and King
7 County to allow for the collection of surface water management service charges on behalf of Des
8 Moines.

9 WHEREAS, Des Moines recognizes the need for comprehensive surface water
10 management to preserve and protect the environment, public and private property, and the health
11 and welfare of its citizens, and

12 WHEREAS, Des Moines has adopted the necessary legislation authorizing the City to
13 enter into this Agreement and to conduct a surface water management program funded by service
14 charge on developed properties, and

15 WHEREAS, King County has a fully developed automated surface water management
16 service charge billing system which can be used for other jurisdictions' billings when an interlocal
17 agreement is entered into by the parties, and

18 WHEREAS, pursuant to RCW 39.34, the parties are each authorized to enter into an
19 interlocal agreement;

20 NOW THEREFORE, it is agreed by the parties as follows:

21 **I. Purpose of the Agreement**

22 A. To establish and set forth the services the parties agree will be provided for the
23 billing and collection of the surface water management service charge on
24 properties located in the City of Des Moines.

25 B. To establish a means whereby the County can act as the City's agent to collect the
26 City's surface water service charge from property owners and transmit revenues
27 collected to the City.
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1 **II. Administration**

- 2 A. The City and King County shall each appoint a representative to review
3 compliance with this agreement and to resolve any conflicts. The administrators of
4 the agreement shall meet as needed. Either party is authorized to convene a
5 meeting with a minimum of ten (10) calendar days written notice to the other.
- 6 B. Any conflict that is not resolved by the agreement administrators within ten (10)
7 working days of the meeting held to discuss the conflict shall be referred for
8 resolution to the City Manager and the Water and Land Resources Division
9 Manager. If the conflict cannot be resolved by the City Manager and the Water and
10 Land Resources Division Manager, it shall be resolved by the City Manager and
11 the Director of the King County Department of Natural Resources (DNR).

12 **III. Description of Surface Water Service Charge Billing and Collection Services**

13 The services provided under this agreement include:

- 14 A. Modifying King County's automated billing system to incorporate the City's
15 surface water service charge rate structure and to allow the County to bill Des
16 Moines property owners for the City's surface water management service charge;
- 17 B. Customer services related to surface water service charge billing and revenue
18 collection for Des Moines property owners;
- 19 C. Collection and transferal of cash receipts;
- 20 D. Maintaining and updating Des Moines's customer information database, except
21 that Des Moines will be responsible for providing information on new commercial
22 accounts;
- 23 E. Processing and mailing billing statements, delinquency notices, and other
24 correspondence;
- 25 F. Incorporating surface water management fee rate changes;
- 26 G. Providing reports; and
- 27 H. Other services related to billing and revenue collection as requested.
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1 **IV. Responsibilities of the Parties - Service Charge Billing and Collection**

2 **A. King County:**

- 3 1. King County will input computer billing system changes to allow the
4 County to bill for Des Moines surface water service accounts using the
5 City's service water service charge rate structure.
- 6 2. King County will collect and distribute to Des Moines revenue received
7 from properties within the city of Des Moines using the County's combined
8 Property Tax and Drainage Billing Statement. These services, as described
9 in agreement section III., will commence for the 1998 billing year.
- 10 3. King County will hold revenues collected for Des Moines in a separate
11 account and will disburse the revenue to the City on each business day.
- 12 4. King County will provide the City with information about delinquent
13 accounts.

14 **B. Des Moines:**

- 15 1. Des Moines has adopted legislation establishing a surface water
16 management service charge rate structure as set forth in Exhibit One,
17 attached to this agreement and incorporated herein.
- 18 2. The City's surface water service charge rate structure as identified above
19 may be modified as follows: If in any given calendar year the City elects to
20 change its service charge rate structure for the following calendar year, it
21 will notify the County of the new structure at least 60 days prior to the
22 beginning of the new calendar year, allowing time for the County to make
23 necessary adjustments to the billing system.
- 24 3. Des Moines will be responsible for all actions resulting from delinquent
25 accounts, including any liens and foreclosures on Des Moines property
26 resulting from such delinquencies.
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1 **V. Financial Arrangements**

2 **A. Service Costs.** Estimated annual costs for billing and revenue collection services
3 are outlined in Exhibit Two, attached to this agreement and incorporated herein.
4 Des Moines will pay the County for billing, revenue collection, and disbursement
5 services as set forth below:

- 6 1. Des Moines will pay an annual per-account fee for surface water
7 management service charge billing, customer database management, and
8 customer service. The fee is one dollar and seventy-seven cents (\$1.77) per
9 customer account for 1997. King County may adjust the fee annually,
10 based on staff and overhead cost changes authorized in the adopted King
11 County annual budget.
- 12 2. Des Moines will pay a one-time fee of one dollar and eighty six cents
13 (\$1.86) per account to cover the cost of modifying the billing system for
14 Des Moines accounts. The fee will be billed and paid in two annual
15 installments of ninety-three cents (\$0.93). The first half of the charge will
16 appear on the first bill for services.
- 17 3. Des Moines will pay the County a one-time specialized set up fee in
18 addition to the normal set-up charge for new billing. This fee is estimated
19 to be \$5,000 and will cover the costs of incorporating the City's surface
20 water service charge structure into the County's billing system.
- 21 4. Pursuant to RCW 84.56.035, Des Moines will pay the County a flat one
22 percent (1%) of all revenue collected by the County for Des Moines under
23 the terms of this Agreement. This charge is not part of the per-account fee.

24 **B. Billing and Payment for Services**

- 25 1. King County will invoice the City for the annual per-account billing fee
26 outlined in agreement section V.A.1. in two installments annually
27 (approximately May and October).
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- 1 2. King County will invoice the City for the one-time fee outlined in
2 agreement section V.A.2. in two installments of ninety-three cents (\$0.93).
3 The first half of the charge will appear on the first bill for services in 1998.
4 The second half of the charge will appear on the first bill for services in
5 1999.
- 6 3. King County will invoice the City for the system set-up fee, as outlined in
7 agreement section V.A.3., on the first bill for services.
- 8 4. Des Moines will pay King County within 45 days after the receipt of
9 invoices. Interest may be assessed on balances unpaid after 45 days.
- 10 5. King County will deduct the one percent revenue collection charge, as
11 outlined in agreement section V.A.4., from revenues transferred to the
12 City.

13 **VI. Effectiveness and Duration**

14 This agreement shall become effective upon signature by all parties and shall renew
15 automatically from year to year subject to the provisions of Section VII. of this agreement.

16 **VII. Amendments, Extension or Termination**

- 17 A. This agreement may be amended, altered, clarified, or extended only by written
18 agreement of the parties hereto.
- 19 B. The estimated costs and services as shown in this agreement are accepted by the
20 parties as representing the best projections for service and cost available at the
21 time of this agreement. If either party requests changes to the level of services or
22 to the cost of services set forth in this agreement, the parties will agree in writing
23 to the changes.
- 24 C. This agreement may be terminated by either party for any reason upon provision of
25 one hundred eighty (180) days written notice to the other party.

26 **VIII. Hold Harmless and Indemnification**

- 27 A. The County shall indemnify and hold harmless the City and its officers, agents, and
28 employees, or any of them from any and all claims, actions, suits, liability, loss,

1 costs, expenses, and damages of any nature whatsoever, by reason of or arising out
2 of any negligent act or omission of the County, its officers, agents, and employees,
3 or any of them, relating to or arising out of the performance of this Agreement. In
4 the event that any such suit based upon such a claim, action, loss, or damage is
5 brought against the City, the County shall defend the same at its sole cost and
6 expense; provided, that the City reserves the right to participate in such a suit if
7 any principle of governmental or public laws is involved. If final judgment be
8 rendered against the City and its officers, agents, and employees, or any of them,
9 or jointly against the City and the County and their respective officers, agents, and
10 employees, or any of them, the County shall satisfy the same.

11 B. In executing this Agreement, the County does not assume liability or responsibility
12 for, or in any way release the City from, any liability or responsibility which arises
13 in whole or in part from the existence or effect of City ordinances, rules, or
14 regulations. If any cause, claim, suit, action, or administrative proceeding is
15 commenced in which the enforceability and/or validity of any such City ordinance,
16 rule or regulation is at issue, the City shall defend the same at its sole expense, and
17 if judgment is entered or damages are awarded against the City, the County, or
18 both, the City shall satisfy the same, including all chargeable costs and attorney's
19 fees.

20 C. In executing this Agreement, the City does not assume liability or responsibility for
21 or in any way release the County from any liability or responsibility which arises in
22 whole or in part from the existence or effect of County ordinances, rules, or
23 regulations. If any cause, claim, suit, action, or administrative proceeding is
24 commenced in which the enforceability and/or validity of any such County
25 ordinance, rule, or regulation is at issue, the County shall defend the same at its
26 sole expense, and if judgment is entered or damages are awarded against the
27 County, the City, or both, the County shall satisfy the same, including all
28 chargeable costs and attorney's fees.

1 D. The City shall indemnify and hold harmless the County and its officers, agents, and
2 employees, or any of them, from any and all claims, actions, suits, liability, loss,
3 costs, expenses and damages of any nature whatsoever, by reason of or arising out
4 of any negligent act or omission of the City, its officers, agents, and employees, or
5 any of them, relating to or arising out of the performance of this Agreement. In
6 the event that any suit based on such a claim, action, loss, or damage is brought
7 against the County, the City shall defend the same at its sole cost and expense;
8 provided that the County reserves the right to participate in said suit if any
9 principle of governmental law is involved; and if final judgment be rendered against
10 the County, and its officers, agents, and employees, or any of them, or jointly
11 against the County and their respective officers, agents, and employees, or any of
12 them, the City shall satisfy the same.

13 E. The foregoing indemnity is specifically and expressly intended to constitute a
14 waiver of each party's immunity under Washington's Industrial Insurance Act,
15 RCW Title 51, as respects the other party only, and only to the extent necessary to
16 provide the indemnified party with a full and complete indemnity of claims made by
17 the indemnitor's employees. The parties acknowledge that these provisions were
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specifically negotiated and agreed upon by them.

IN WITNESS WHEREOF, the Parties hereto have executed this agreement on the

day of _____, 19____.

Approved as to Form

King County:

By: _____
Title: Deputy Prosecuting Attorney

By: _____
Title: King County Executive

Approved as to Form

City of Des Moines:

By: _____
Title: _____

By: _____
Title: _____

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City of Des Moines Surface Water Service Charge Rate Structure

Rate Code	Account Type	Charge per account
1	Residential*	\$63.00
2	Multi-family	\$49.80 per EBU** + \$13.20 per multi-family unit
3 & 4	Commercial/Nonprofit	\$63.00 per EBU**
7	Residential with additional private road charge	\$63.00 + \$18.90 per EBU** of private road

* Qualified senior and disabled property owners, as defined in the Des Moines Municipal Code Title II, are exempt from surface water management service charges.

** EBU (Equivalent Billing Unit) = impervious square feet/2,400

Estimated Annual Service Charge Billing and Revenue Collection Costs

Cost Component	Cost per account	number of accounts	Cost (\$)
Annual billing charge	\$1.77 (per '97 fee)	7,000	12,390
System setup fee (first 2 years only)	.93	7,000	6,510
1% Revenue Collection fee* (based on estimated annual revenue of \$1,056,500)	N/A	N/A	10,565
TOTAL (years 1 and 2)			\$29,465
TOTAL (year 3 and beyond)			\$22,955

*This fee is charged by the King County Department of Finance for revenue collection and disbursement.