



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda Board of Health

Metropolitan King County Councilmembers: *Teresa Mosqueda, Chair; Jorge Barón, Reagan Dunn*
Alternate: Sarah Perry

City of Seattle Members: *Joy Hollingsworth, Robert Kettle, Sara Nelson*
Alternate: Bruce Harrell

Sound Cities Association Members: *Amy Lam, Vice Chair; Cheryl Rakes*
Alternates: Amy Falcone and Barb de Michele

Public Health, Facilities, and Providers: *Butch de Castro, PhD, MSN/MPH, RN, FAAN;*
Lisa Chew, MD, MPH; Katherine Gudgel, MS
Alternate: Patricia Egwuatu, DO

Consumers of Public Health: *Quiana Daniels, BS, RN, LPN, Vice Chair;*
Mustafa Mohammed, MD, MBCHB, MHP, LAAC, AAC
Alternate: LaMont Green (Gullah), DSW

Community Stakeholders: *Christopher Archiopoli, Victor Loo*
Alternate: Francoise Milinganyo

American Indian Health Commission: *Jolene Williams, Councilmember, Snoqualmie Indian Tribe*
Alternate: Angela Young, Councilmember, Snoqualmie Indian Tribe

Dr. Faisal Khan, Director, Seattle-King County Department of Public Health
Staff: *Joy Carpine-Cazzanti, Board Administrator - KCBOHAdmin@kingcounty.gov*



1:00 PM

Wednesday, June 18, 2025

Hybrid Meeting

SPECIAL MEETING REVISED AGENDA

Hybrid Meetings: Attend Board of Health meetings in person in Council Chambers (Room 1001), 516 3rd Avenue in Seattle, or through remote access. Details on how to attend and/or provide public comment remotely are listed below.

| | | |
|---|--|---|
|  | <p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711.</p> <p>Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p> |  |
|---|--|---|

HOW TO PROVIDE PUBLIC COMMENT:

1. In person: You may attend the meeting in person in Council Chambers.
2. Remote attendance on the Zoom Webinar: You may provide oral public comment at the meeting by connecting to the meeting via phone or computer using the ZOOM application at <https://zoom.us/>, and entering the Webinar ID below.

Join by Telephone**Dial: US : +1 253 215 8782****Meeting ID: 836 2614 2088**

If you do not wish to provide public comment, please help us manage the callers by using one of the options below to watch or listen to the meeting.

HOW TO WATCH/LISTEN TO THE MEETING: There are two ways to watch or listen in to the meeting:

- 1) Stream online via this link <https://king-county-tv.cablecast.tv/> or input the link web address into your web browser.
- 2) Watch King County TV on Comcast Channel 22 and 322(HD) and Astound Broadband Channels 22 and 711(HD).

To show a PDF of the written materials for an agenda item, click on the agenda item below.

1. **Call to Order**
2. **Roll Call**
3. **Announcement of Any Alternates Serving in Place of Regular Members**
4. **Approval of Minutes of May 15, 2025** **pg 4**
5. **Public Comments**
6. **Chair's Report**



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Briefings

7. BOH Briefing No. 25-B22 **pg 15**

Infant Health Outcomes: Infant Mortality Prevention Network

Michelle Sarju, Parent Child Health Administrator, Community Health Services Division, Public Health – Seattle & King County

Aley Joseph, Senior Epidemiologist, Health Sciences Division, Public Health – Seattle & King County

Tess Abrahamson-Richards, Director of Data Sovereignty, Hummingbird Indigenous Family Services

Katie Stover, Pilimakua Home Visiting Program Manager, Hummingbird Indigenous Family Services

Shelley Means, Co-Lead, Native American Women's Dialogue on Infant Mortality, Hummingbird Indigenous Family Services

Leah Tanner, Co-Lead, Native American Women's Dialogue on Infant Mortality, Hummingbird Indigenous Family Services

Discussion and Possible Action

8. R&R No. BOH25-01 **pg 24**

A RULE AND REGULATION relating to the fee for dishonored checks; repealing R&R 7, Chapter 5, as amended, and BOH 2.06.020; enacted pursuant to RCW 70.05.060, including the latest amendments or revisions thereto.

Michael Perez, Finance and Administrative Services Manager, Public Health – Seattle & King County
Roman Welyczko, Compliance Advisor, Public Health – Seattle & King County

Public Hearing Required

Briefings

9. BOH Briefing No. 25-B23

Board membership and recruitment for 2026

Joy Carpine-Cazzanti, Board Administrator, Public Health – Seattle & King County

10. **Board Member Updates**

Adjournment

If you have questions or need additional information about this agenda, please call (206) 263-0365, or write to Joy Carpine-Cazzanti, Board of Health Administrator via email at KCBOHAdmin@kingcounty.gov



King County

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Meeting Minutes Board of Health

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Chair; Jorge Barón, Reagan Dunn
Alternate: Sarah Perry*

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Councilmember, Snoqualmie Indian Tribe
Alternate: Angela Young, Councilmember, Snoqualmie Indian
Tribe*

*Dr. Faisal Khan, Director, Seattle-King County Department of
Public Health
Staff: Joy Carpine-Cazzanti, Board
Administrator - KCBOHAdmin@kingcounty.gov*

1:00 PM

Thursday, May 15, 2025

Hybrid Meeting

DRAFT MINUTES

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1. Call to Order

The meeting was called to order at 1:02 p.m.

2. Roll Call

Present: 16 - Archiopoli, Barón, Chew, Daniels, de Castro, Dunn, Gudgel, Hollingsworth, Kettle, Lam, Loo, Mohammed, Mosqueda, Nelson, Williams and Falcone

Excused: 1 - Rakes

3. Announcement of Any Alternates Serving in Place of Regular Members

Boardmember Falcone served in place of Boardmember Rakes.

4. Approval of Minutes of April 17, 2025

Boardmember Daniels moved to approve the minutes of the April 17, 2025, meeting as presented. Seeing no objection, the Chair so ordered.

5. Public Comments

*The following people spoke:
Alex Tsimmerman
Russell Scott Dulman
Stephen Lee
Kelly Stewart*

6. Chair's Report

The Chair reported on the upcoming agenda and announced that the next Board of Health meeting will be held on Wednesday, June 18, 2025, at 1:00 p.m.

7. Director's Report

Dr. Faisal Khan, Director, Public Health - Seattle & King County, briefed the Board on upcoming budget challenges related to emergency preparedness and HIV funding.

Briefings

8. BOH Briefing No. 25-B17

Creating a Template Document for Establishing Board of Health Workgroups

Baordmember Daniels briefed the Board and answered questions.

This matter was Presented

9. BOH Briefing No. 25-B18

Overdose Prevention and Response

Brad Finegood, Strategic Advisor, Public Health - Seattle & King County; Isabel Jones, Deputy Division Director, Behavioral Health and Recovery Services, King County Department of Community and Human Services; and Dr. John Olson, Addiction Medicine Physician, Sound Behavioral Health; briefed the Board and answered questions.

This matter was Presented

10. BOH Briefing No. 25-B19

HIV and Sexually Transmitted Infections in King County

Dr. Matthew Golden, Professor of Medicine, University of Washington, Director, PHSKC HIV/STI/HCV Program, Director, UW Center for AIDS and STD (CFAS); and Edgar Longoria, Executive Director, Entre Hermanos; briefed the Board and answered questions.

This matter was Presented

11. BOH Briefing No. 25-B20

State Legislative Session Update

Simon Vila, Government Relations Officer, Public Health – Seattle & King County, briefed the Board and answered questions.

This matter was Presented

12. BOH Briefing No. 25-B21

Federal Cuts and Threats to Public Health

Dwight Dively, Director, Office of Performance, Strategy and Budget briefed the Board and answered questions.

This matter was Presented

13. Board Member Updates

No updates were given.

14. Other Business

No other business was presented.

Adjournment

The meeting was adjourned at 3:20 p.m.

If you have questions or need additional information about this agenda, please call (206) 263-0365, or write to Joy Carpine-Cazzanti, Board of Health Administrator via email at KCBOHAdmin@kingcounty.gov

Approved this _____ day of _____

Clerk's Signature



King County
King County Board of Health
Director's Report

Date: June 18, 2025

Prepared by: Dr. Faisal Khan, Director, Public Health – Seattle & King County

Stay current on Public Health trends and news:

I invite King County Board of Health Members and Alternates to stay updated on important news, local health trends and funding opportunities through Public Health – Seattle & King County's blog and online dashboards:

The Public Health Insider blog:

[PUBLIC HEALTH INSIDER – Official insights from Public Health - Seattle & King County staff](#)

Data dashboards:

- [Data dashboard: The impact of firearms in King County - King County, Washington](#)
- [Respiratory virus data dashboards: COVID-19, Influenza, and RSV - King County, Washington](#)
- [Overdose data dashboards - King County, Washington](#)
- [Climate Impacts on Health - King County, Washington](#)

Funding opportunities – RFPs, RFQs, RFAs and others:

[Funding opportunities - King County, Washington](#)

New Health Officer Appointed

Public Health – Seattle & King County is delighted to welcome Dr. Sandra J. Valenciano, a public health leader with both local and national experience in improving community health, as King County's new Health Officer. Public Health Director Dr. Faisal Khan appointed Dr. Valenciano to serve as the department's primary medical expert, provide leadership on scientific and medical matters that shape department policy and practice, and foster strong relationships with the healthcare community.

Dr. Valenciano comes from DeKalb Public Health in metro Atlanta, Georgia, where she most recently served as District Health Director and CEO, managing public health services for over 780,000 residents in a diverse community where over 130 languages are spoken. While at DeKalb Public Health, she led the development of a five-year strategic plan and strengthened community engagement through partnerships with public and community-based organizations.

Dr. Valenciano is a board-certified physician (MD) in internal medicine and holds a Master in Public Health. Dr. Alice Tin will remain as interim Health Officer until Dr. Valenciano joins the department on August 4, 2025.

Learn more online: [Distinguished community public health leader is King County's new Health Officer – PUBLIC HEALTH INSIDER](#)

Federal Guidance on COVID-19 Vaccines

Public Health and the Washington State Department of Health are closely monitoring ongoing federal discussions around potential changes to COVID-19 vaccine guidance. Everyone 6 months and older is still recommended to receive COVID-19 vaccines, including those who are pregnant. At this time, we are not making any changes to our programs or recommendations and will continue to monitor federal guidance as it evolves.

Public Health's priority remains ensuring equitable access to COVID-19 vaccines. The virus continues to pose serious health risks, including hospitalizations, long COVID, and preventable deaths, particularly among older adults, people with chronic conditions, and those who remain unvaccinated.

COVID-19 vaccines remain one of our most effective tools for preventing severe illness. We encourage King County residents to stay up to date on their vaccinations to protect themselves, their loved ones, and the broader community.

COVID vaccines are still currently available for uninsured people at no cost at provider offices enrolled in the Washington State Adult Vaccine Program and through mobile vaccine teams such as the Washington State Dept. of Health [Care-a-Van](#), which has eight clinics scheduled in King County in June before they end operations on June 30.

Learn more online: kingcounty.gov/vaccine

Con Confianza y en Comunidad celebrates five years of support for the community

In March 2020, the world was shaken by the arrival of COVID-19. The term *pandemic* was unfamiliar to many of us. Confusing news, incomplete information, rumors, and myths spread quickly, creating uncertainty, misinformation, and a lack of reliable updates. Communities everywhere needed a trusted source for accurate, up-to-date information.

The Latino community in King County was no exception. Most news outlets reported in English, making timely Spanish-language information hard to find. Information in Spanish was delayed and sporadic.

By May of 2020, a dedicated group of [Latinx Community Response](#) members from Public Health, along with local leaders, began creating a trusted space of real and trusted information—in Spanish—that would serve to support our Latino community in King County. [Con Confianza y en Comunidad](#) was born.

Now, five years later, with over 170 meetings covering key community topics, Con Confianza y en Comunidad continues to provide reliable, consistent information to Spanish-speakers facing language barriers and limited access to public resources.

Learn more online: [Con Confianza y en Comunidad celebrates five years of support for the community – PUBLIC HEALTH INSIDER](#)

June is Gun Violence Prevention Month in King County



Leading the Way Tour Participants

Public Health's Regional Office of Gun Violence Prevention launched National Gun Violence Awareness Month with a series of events. Early in the week, they welcomed Cities United, who selected King County and the Regional Office for its third stop on the [Leading the Way Tour 2025](#) - a national effort to uplift, accelerate, and invest in comprehensive public safety strategies rooted in community, healing, and opportunity.

Mid-week, on June 5, the Regional Office, in partnership with the Washington State Department of Commerce Office of Firearm Safety and Violence Prevention and Alliance for Gun Responsibility, hosted the 2025 Together We End Gun Violence: Crisis Responder Summit. The summit explored effective strategies for violence prevention and strengthened cross-sector partnerships needed to reduce gun violence and enhance public safety throughout Washington State, and featured remarks from Washington State Attorney General Nick Brown and Senator Manka Dhingra, and a keynote address from Cities United Executive Director Anthony Smith.

Concluding the week, in observance of National Gun Violence Awareness Day on Friday, June 6, the Regional Office, the Regional Peacekeepers Collective, the Alliance For Gun Responsibility, and south King County municipal partners hosted free gun lockbox giveaways. At seven sites across King County, they distributed a total of 700 lockboxes.

Make Sure Your Food Vendor Has a Public Health Permit to Avoid Foodborne Illness

Summer is the perfect time to get outside and explore the 700+ incredible food trucks and other mobile food businesses serving cuisines from around the world to King County communities. Whether you're buying a hot dog from a cart before a game or tacos from your favorite truck, we want you to be confident that the vendor is following proper food safety practices.

The best way to protect yourself from foodborne illnesses when you're eating out is to only buy food from businesses that have a food safety rating sign – the green smiley face signs. These signs mean

that a business has a Public Health food permit, which is an important step in the process to make sure a business is safely serving food.

Learn more online: [Make sure your food vendor has a Public Health permit to avoid foodborne illness – PUBLIC HEALTH INSIDER](#)

Measles resources for schools, workplaces, healthcare, and organizations

On May 20th, [a new measles case](#) was identified in a King County resident, marking the sixth case this year in Washington State.

Measles was declared [officially eliminated](#) from the U.S. back in 2000 following decades of people getting measles vaccinations. But measles re-entered the country when travelers returned from places where measles is spreading, sometimes exposing people who hadn't been vaccinated or hadn't had the measles. Now measles cases are [going up around the country](#) and we have cases in King County. People understandably have questions since most folks didn't grow up at a time when measles was still common.

To help provide information about the measles, Public Health created a number of resource materials for schools, workplaces, organizations, healthcare, and anyone to share. Please download and use these resources to help people in your networks learn about measles, how contagious it is, and what they can do to protect themselves and their families.

Learn more online: [Measles resources for schools, workplaces, healthcare, and organizations – PUBLIC HEALTH INSIDER](#)

King County officials urge caution around lakes, rivers and Puget Sound as high rates of drowning deaths persist

With summer activities kicking off, King County officials are urging residents to take extra precautions around water as new data shows a continued high number of preventable drowning deaths.

From 2018 through 2024, 190 people lost their lives to preventable drowning in King County, averaging more than 27 deaths annually. This compares to an average of 18 deaths per year from 2014 – 2017. Most (73%) of these deaths were among men and more than 60% of decedents had drugs and/or alcohol in their system at the time of the incident.

In 2024, the number of preventable drowning deaths declined slightly for the first time since 2018, based on preliminary data, dropping to 25 from 30 deaths in 2023.

“Any decline in drowning deaths is welcome, but there are still far too many,” said Dr. Faisal Khan, Director of Public Health – Seattle & King County. “Each one of these deaths is tragic and preventable, and that’s why we’re urging everyone to take simple water safety precautions this summer.”

Water safety tips

Experts at the King County Sheriff's Office, Public Health – Seattle & King County, and the Department of Natural Resources and Parks shared these potentially life-saving tips for anyone enjoying the water this summer:

- Wear a life jacket – [discounts and loaners are available](#)
- Do not consume alcohol and drugs when around water
- Remember that lakes, rivers and the ocean can remain dangerously cold even when the air temperature is warm
- Take extreme caution around rivers. If you do choose to enter a river, always tell someone where you plan to enter and exit before you leave home
- When children are swimming or playing near the water, designate an adult to watch and stay nearby at all times
- Swim at public pools monitored by lifeguards and enroll in swim lessons. More information about public pools, including free and low-cost swim lessons, from [Seattle Parks and Recreation](#) and [King County's Weyerhaeuser Aquatic Center](#)

Cold water and rivers are a hidden danger – even on hot days

The water in King County open water remains dangerously cold well into summer and rivers often have swift currents and submerged obstacles.

Of the 190 drowning deaths over the past seven years, more than half (53%) occurred in open water—including rivers, lakes, and Puget Sound. Lake Washington, the Green and Snoqualmie rivers, and Puget Sound were among the most frequent locations.

In King County, many rivers and lakes stay between 50 and 60 degrees in summer. Swimming in this cold water – even when the temperature outside is hot - can trigger a physiological response that leads to panic, rapid breathing, and drowning, especially without a life jacket.

“King County’s lakes, rivers and marine waters are spectacular but can also be dangerous,” said John Taylor, Director of the Department of Natural Resources and Parks. “Even strong swimmers can experience muscle failure from cold water shock within seconds. And rivers that appear calm can have strong currents and hidden obstacles.”

Along with dangerously cold water from melting mountain snow, seasonal flooding can alter rivers from year to year. That can lead to changes in currents, water depth, and new logjams and branches that can harm swimmers and rafters caught in a swift flow. Experts recommend paddleboarders not wear an ankle leash while recreating on rivers, noting that they can get caught in debris and rocks.

The King County Sheriff's Office's [Marine Rescue Dive Unit](#) deploys specially trained and equipped deputies responsible for water-related law enforcement, investigations, rescues, and recovery. Since they cover an extremely large area, they ask the public to be as diligent as possible while enjoying local waterways.

“We strongly recommend anyone taking part in any water activities wear a life jacket,” said Sergeant Rich Barton, who oversees the Marine Unit for the King County Sheriff's Office. “The water can be a dangerous place for even the strongest of swimmers. Many paddle boarders are surprised to learn life jackets are required for that sport as well. They can and will save your life.”

Resources

- [River safety in King County](#)
- [Find a loaner life jacket and receive a discount on a life jacket purchase](#)
- [King County Sheriff's Office Marine Rescue Dive Unit](#)
- [Water recreation information from Department of Natural Resources and Parks](#)
- ["Swim Seattle" resources, including free swim lessons](#)
- [List of lifeguarded beaches and pools](#)

INFANT MORTALITY PREVENTION

PUBLIC HEALTH – SEATTLE & KING
COUNTY:

MICHELLE SARJU,
PARENT & CHILD HEALTH
ADMINISTRATOR

ALEY JOSEPH, EPIDEMIOLOGIST

HUMMINGBIRD INDIGENOUS
FAMILY SERVICES:

TESS ABRAHAMSON-RICHARDS,
DIRECTOR OF DATA SOVEREIGNTY

KATIE STOVER, PILIMAKUA HOME
VISITING PROGRAM MANAGER

**SHELLEY MEANS AND LEAH
TANNER,** CO-LEADS, NATIVE
AMERICAN WOMEN'S DIALOGUE
ON INFANT MORTALITY

Possibility was born the day you were born...



JUNE 18, 2025
KING COUNTY BOARD OF HEALTH

June 18, 2025

15

● **INFANT MORTALITY DATA:**

INFANT MORTALITY RATES

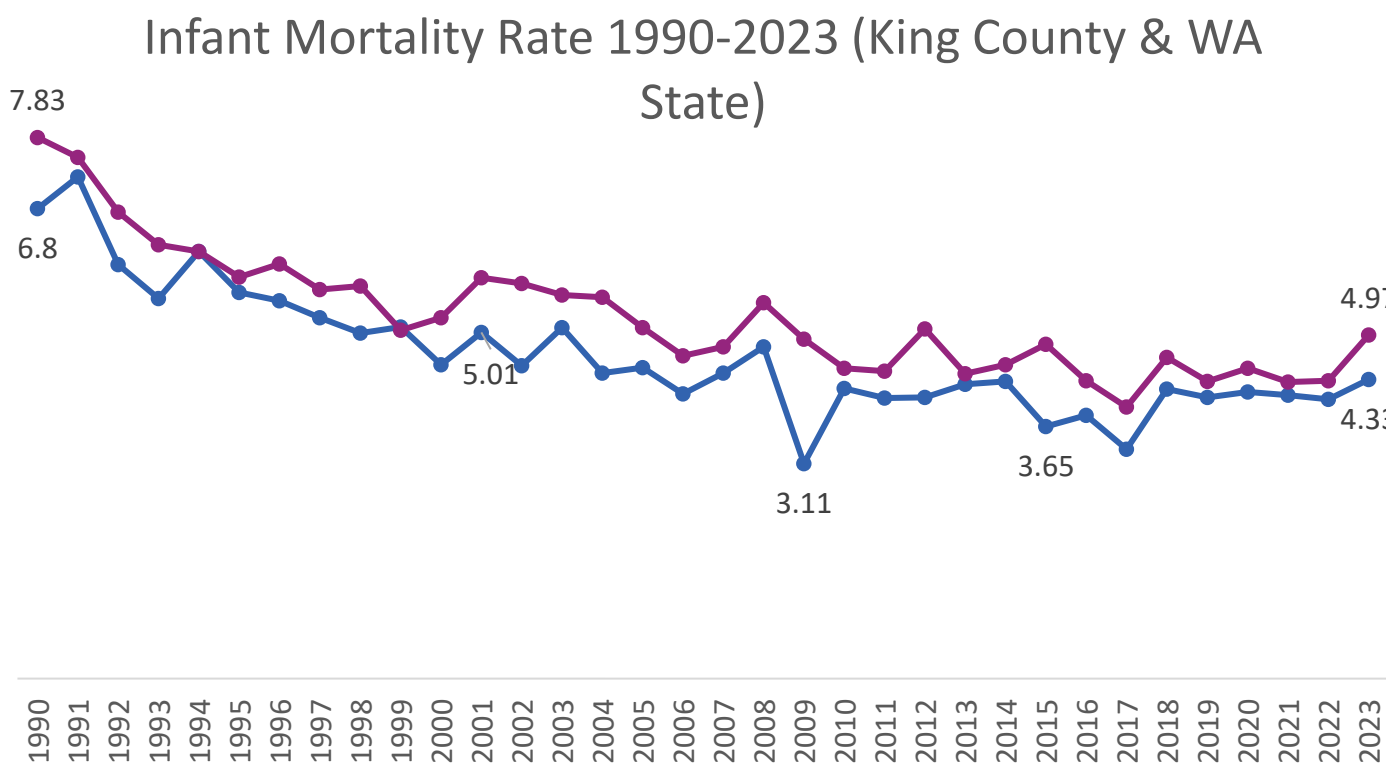
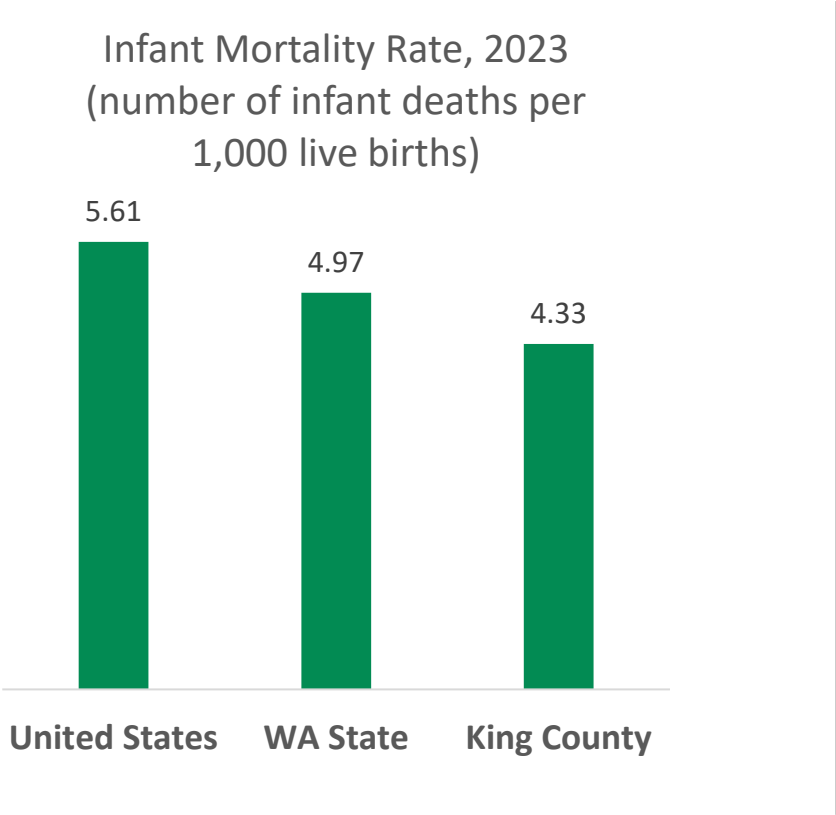
United States

Washington State

King County

INFANT MORTALITY RATES

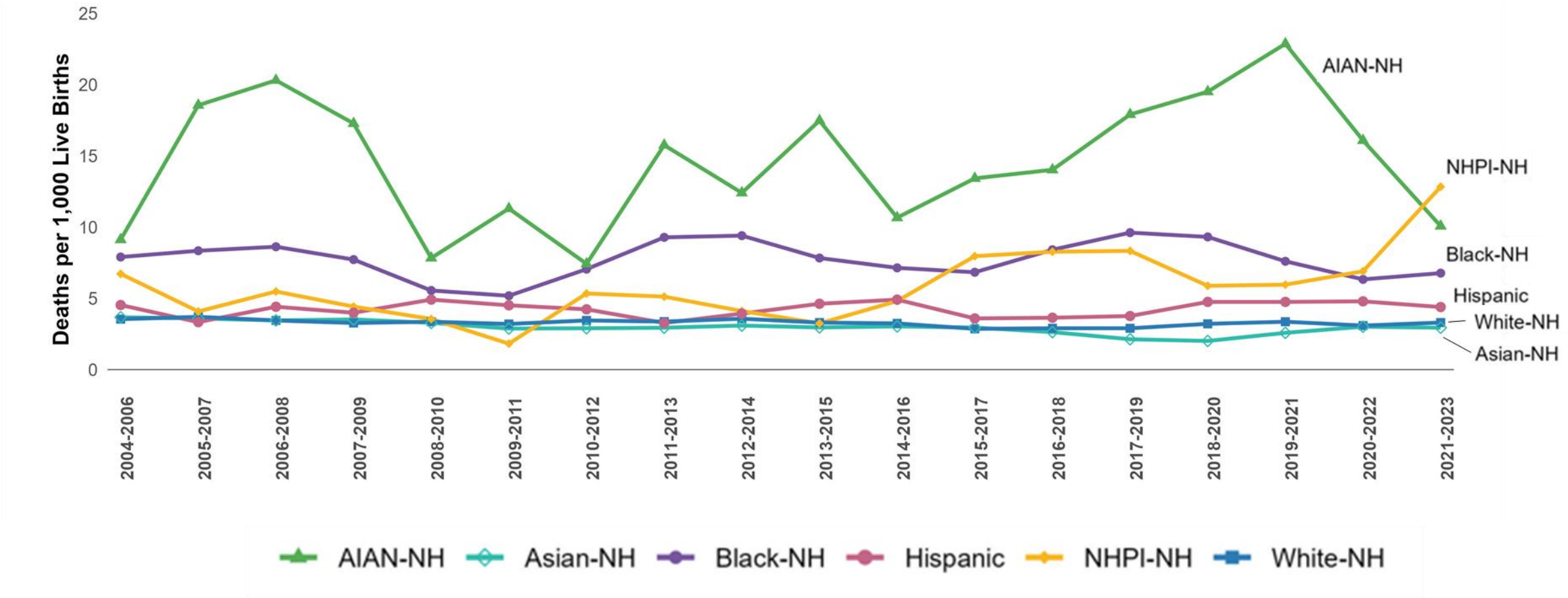
(U.S., WA STATE, & KING COUNTY)



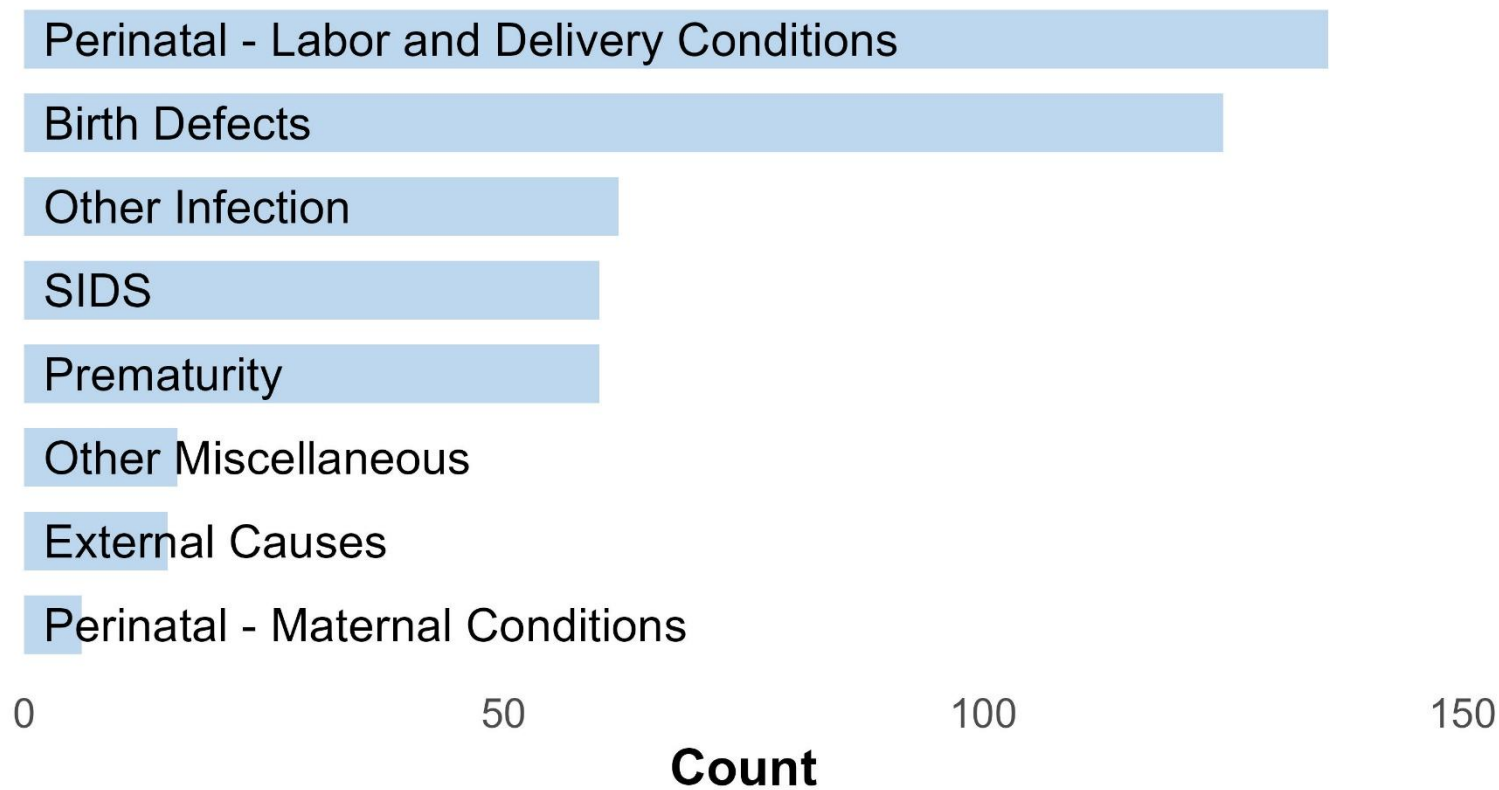
Sources:
National Vital Statistics Reports Volume 73, Number 5 July 25, 2024 Infant Mortality in the United States, 2022: Data From the Period Linked Birth/Infant Death File ; Washington State Department of Health, Center for Health Statistics, Death Certificate Data, 1990-2023 Community Health Assessment Tool (CHAT), Jan 2025.

Disparities by Race/Ethnicity

King County, 2004-2023



CAUSES OF INFANT MORTALITY



Health Sciences, APDE: June 09, 2025
Data source: WA DOH CHS, CHAT NIMS 2019-2023

● THE INFANT MORTALITY PREVENTION NETWORK

The Network

Best Starts for Kids: Funding 6 organizations

- Atlantic Street Center
- Hummingbird Indigenous Family Services
- Open Arms Perinatal Services
- Pacific Islander Health Board
- Seattle Indian Health Board
- Somali Health Board

● THE INFANT MORTALITY PREVENTION NETWORK

The Work of the Network

Providing culturally relevant, culturally versatile, community designed infant mortality prevention strategies.

Examples:

- Perinatal case management
- Doula services
- Centering Motherhood

● THE INFANT MORTALITY PREVENTION NETWORK



Hummingbird

INDIGENOUS FAMILY SERVICES

Hummingbird Indigenous Family Services launched in 2019 with the mission of healthy Indigenous babies being born into healthy Indigenous families being supported by healthy Indigenous communities. Hummingbird is the first and only Indigenous agency in King, Pierce, and Snohomish Counties to exclusively serve Indigenous babies and families from zero to three.

THANK YOU!

QUESTIONS?

CONTACT

KCBOHADMIN@KINGCOUNTY.GOV

...And it will live as long as you live.—Marcus Solero





KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

R&R

Proposed No. BOH25-01.1

Sponsors

1 A RULE AND REGULATION relating to the fee for
2 dishonored checks; repealing R&R 7, Chapter 5, as
3 amended, and BOH 2.06.020; enacted pursuant to RCW
4 70.05.060, including the latest amendments or revisions
5 thereto.

6 BE IT ADOPTED BY THE KING COUNTY BOARD OF HEALTH:

7 SECTION 1. R&R 7, Chapter 5, as amended, and BOH 2.06.020 are

8 hereby repealed.

KING COUNTY BOARD OF HEALTH
KING COUNTY, WASHINGTON

Teresa Mosqueda, Chair

ATTEST:

Melani Hay, Clerk of the Board

Attachments: None



King County

King County Board of Health

Staff Report

Agenda item No: 8
Proposed Rule No: BOH 25-01

Date: June 18, 2025
Prepared by: Michael Perez

Subject

Proposed repeal of Board of Health Code 2.06.020, the \$25 dishonored check fee.

Summary

A King County Auditor's Office Report, published in February 2025, identified a discrepancy in dishonored check fees between King County Code and the Board of Health Code. As a result, Public Health—Seattle & King County's Environmental Health Services Division (Environmental Health) is proposing to repeal the BOH fee to resolve the discrepancy and authorize the division to charge a \$35 fee in line with other County agencies in accordance with King County Code 4A.600.100.

Background

Board of Health Code (BOH) 2.06.020 sets a \$25 dishonored check fee and was last revised in 2005. King County Code (K.C.C.) 4A.600.100 authorizes King County agencies to assess a \$35 fee for dishonored checks. King County Council raised the handling fee to \$35 in 2010, after a staff report showed that the fee rate was too low to cover staff costs.

The King County Auditor's Office performed an audit on returned checks, with the final report published in February of 2025.¹ One of the items identified in the report was a discrepancy between the \$35 fee for returned checks in K.C.C. 4A.600.100 and the \$25 fee in BOH 2.06.020.

The report noted that Environmental Health had been charging customers the \$35 fee per K.C.C. and has collected about \$1,500 per year in returned check fees between 2020 and 2024. A

¹ Opportunities for Improvement in Returned Check Fees, Collections, King County Auditor Report, February 11, 2025. <https://kingcounty.gov/en/independents/governance-and-leadership/government-oversight/auditors-office/reports-papers/reports/2025/returned-checks>

returned check fee is incurred when a customer's payment for an Environmental Health permit or service cannot be processed due to insufficient funds.

Analysis

Environmental Health is proposing to repeal BOH 2.06.020 to address the inconsistency with K.C.C. 4A.600.100 as identified by the King County Auditor in 2025. By repealing the fee in the BOH Code, the \$35 fee for dishonored checks, authorized in K.C.C., would apply. This fee is what Environmental Health has been charging customers since 2020.

Attachments

1. King County Auditor's Report on Returned Checks, February 11, 2025



King County

KING COUNTY AUDITOR'S OFFICE

FEBRUARY 11, 2025

Opportunities for Improvement in Returned Check Fees, Collections

MEGAN KO

EXECUTIVE SUMMARY

Banks return about 2 percent of all checks received by King County without honoring them. These returns require staff resources and result in unpaid debts. Ultimately, unpaid debts — including, but not limited to, returned checks — may end up in collections, where customers face costs that are 31 percent higher than their original bills. Some county agencies have not reviewed returned check fees for years, despite changes in fee rates and payment options. This has increased the risk of inefficiency, inequity, and noncompliance. For example, King County Treasury Operations could increase General Fund revenues by \$32,000 per year if it expanded returned check fees to electronic checks, which are an increasingly popular payment option. Similarly, county agencies have not reviewed nor documented collections processes following the profound disruptions of the COVID-19 pandemic. This has increased the likelihood that customers receive services on credit, despite state prohibition of this practice.

Acknowledgment

We would like to thank the following agencies for their responsiveness and cooperation during the audit: Finance and Business Operations Division (including Treasury and Financial Management sections), King County International Airport, Real Estate Services Division, and Regional Animal Services of King County within the Department of Executive Services; the Department of Judicial Administration; King County Parks and Wastewater Treatment divisions within the Department of Natural Resources and Parks; Environmental Health Services within the Department of Public Health–Seattle & King County; and King County District Court.

Several agencies made immediate changes based on our questions and observations, including Finance and Business Operations and King County Parks divisions. Other agencies facilitated our review by providing qualitative and quantitative information. We are grateful for staff taking the time to walk through process details and audit criteria that covered fiscal, customer service, and operational responsibilities and goals.

REPORT HIGHLIGHTS

What We Found

King County agencies have not reviewed returned check fees for years. This has increased the risk of inefficiency, inequity, and noncompliance. For example, King County Treasury Operations, which receives 74 percent of the County's returned checks, only applied the fee to customers who wrote paper checks. Amid increasing popularity of electronic payments, this decision costs the County an estimated \$32,000 in annual General Fund revenue and may disproportionately burden senior and low-income residents, who are more likely to write paper checks. We also found that price differences between fees in King County Code and King County Board of Health Code resulted in Public Health customers paying too much for returned checks.

County agencies lacked guidance in navigating the collections process, limiting consistency, accountability, and compliance. Just as agencies set their own returned check fees, they determine when and how to leverage the County's collection's vendor. For example, we found that Regional Animal Services of King County sent accounts to collections after they were 45 days past due without a clear rationale, while most other agencies waited 90 days. We also found that King County Parks and Environmental Health Services divisions lacked effective controls to ensure timely payments and referrals to collections.

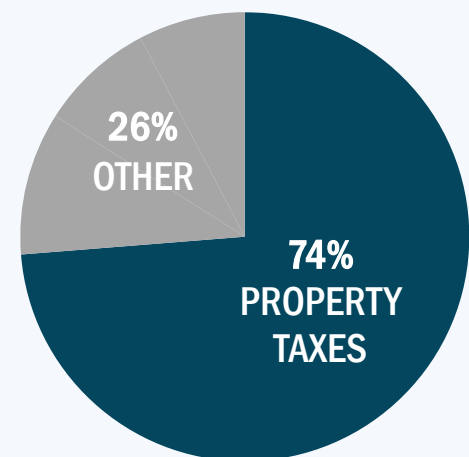
What We Recommend

We recommend that county agencies periodically review returned check fees. This includes determining the cost of processing returned checks and setting cost recovery goals that balance equity and fiscal responsibility. We also recommend that the Finance and Business Operations Division develop guidance to assist agencies in their review. Finally, we make recommendations to Parks Division and Public Health–Seattle & King County to document and implement standard operating procedures that ensure fair and consistent submission of overdue accounts to collections.

Why This Audit Is Important

Banks return about 2 percent of all check payments received by King County. These returns result in unpaid debts and require staff resources to reverse old payments and request new ones. In recognition of this effort, state law allows the County to collect a reasonable handling fee for returned checks. King County Council raised the handling fee to \$35 in 2010, after a staff report showed that the fee rate was too low to cover staff costs. Beyond establishing a fee rate, county code leaves it to agencies whether to charge customers the fee. Similarly, county agencies have discretion in whether they send unpaid debts to collections. Decisions about both returned check fees and collections affect revenue generation and customer cost burdens.

Most returned checks were for property taxes.



Source: King County Auditor's Office analysis

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Section 1: Returned Check Fees Not Tied to Cost Recovery, Equity Aims

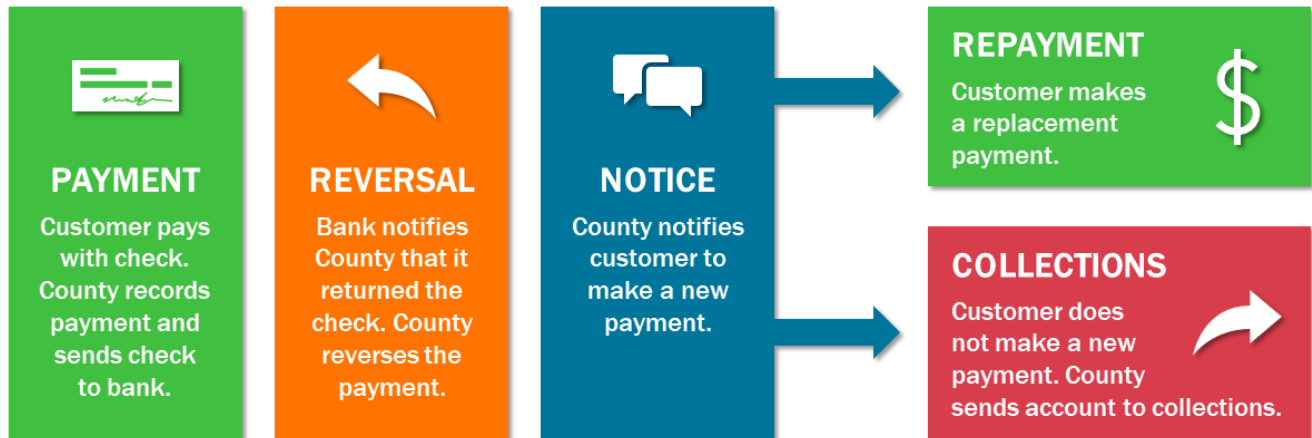
SECTION SUMMARY

King County agencies have not reviewed returned check fees for years, increasing the risk of inefficiency, inequity, and noncompliance. In a review of seven agencies, we found variation in how agencies applied returned check fees.¹ Two agencies stood out for applying the fee to only a small subset of customers. One of the two agencies, King County Treasury Operations, only applied the fee to customers who wrote paper checks. This decision costs the County an estimated \$32,000 in annual General Fund revenue and may disproportionately burden senior and low-income residents, who are more likely to use paper checks according to federal consumer payment research. We also found that the fee rate set for returned checks differs across King County Code and King County Board of Health Code, making compliance more complicated. As a result, Public Health customers paid returned check fees that were 40 percent higher than Board of Health Code authorized. Returned check fees help the County recover the costs of processing returned checks by shifting the cost to customers whose checks have been returned—this requires clear accounting of costs and goals related to cost recovery and equity.

How do returned checks relate to collections?

Returned checks are unpaid debts to King County, which may be sent to collections. Customers may pay the County with a check only to have it returned by a bank. This means that the County did not collect any funds from the customer. The County then needs to notify the customer of the return and request a new payment. If no new payment is provided, after a certain amount of time, the agency who received the returned check may send the unpaid debt to collections. Beyond returned checks, other types of unpaid debt include non-payment for services. Section one of this report relates to returned checks, while section two encompasses collections process for all accounts sent to collections, not only returned checks.

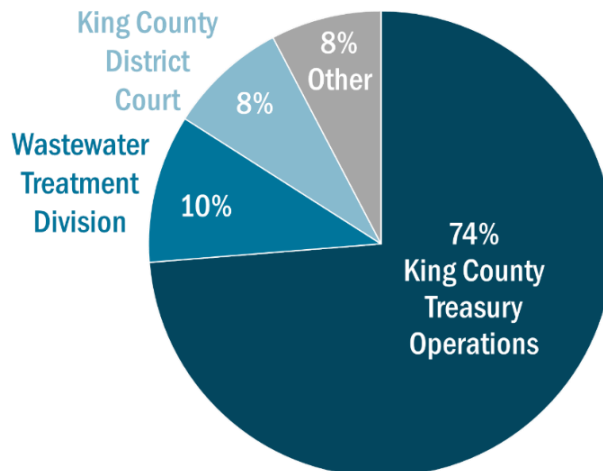
¹ King County agencies are shown on exhibit D and include Treasury Operations, Regional Animal Services of King County, Department of Judicial Administration, Parks Division, Wastewater Treatment Division, Environmental Health Services Division, and District Court.

EXHIBIT A: Returned checks are unpaid debts which may be sent to collections.

Source: King County Auditor's Office analysis

? What are returned check fees?

Returned check fees are handling fees that county agencies add to check payments that are returned by the bank. King County Code 4A.600.100 set the fee at \$35 in 2010. Handling fees generate revenue to help recover the costs borne by agencies processing returned checks, including staff time to correct accounting records and bank fees. Returned check fees are also called dishonored check fees.

EXHIBIT B: Most returned checks were for property taxes paid to King County Treasury Operations.

Note: Percentages are of the total 14,948 returned paper and electronic checks between 2021 and 2024 for Treasury Operations, Regional Animal Services of King County, King County District Court, Parks Division, Wastewater Treatment Division, Environmental Health Services, and Department of Judicial Administration.

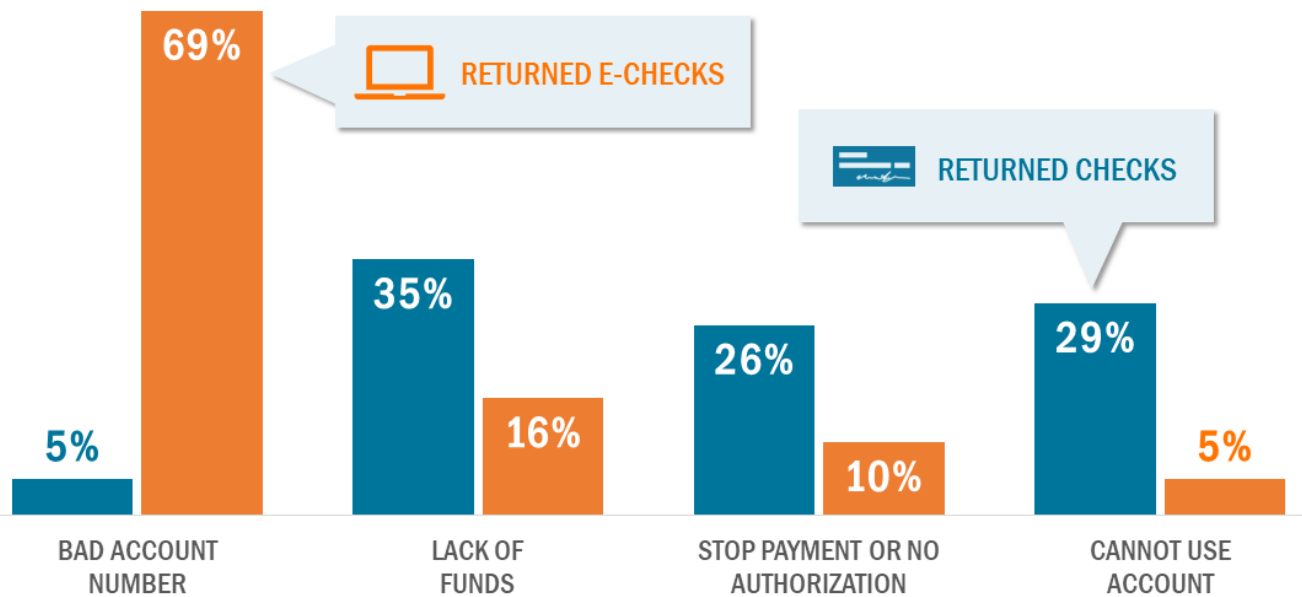
Source: King County Auditor's Office analysis

? Why do banks return checks?

Checks are returned for various reasons, from entry of incorrect account information to lack of funds.

The breakdown of return reasons depends in part on whether customers pay with paper checks or with electronic or “e-checks” (see exhibit C).² For example, in a review of checks returned to King County between 2021 and mid-2024, we found 69 percent of e-checks were returned because customers entered their bank account numbers incorrectly. No single return reason was as common among paper checks. Paper checks were almost as likely to be returned for lack of funds (35 percent) as to be returned for an account number that could not be used (29 percent) or for a stop payment order by the customer (26 percent). Returned check fees are sometimes called “NSF” fees, short for “nonsufficient funds,” however, this is a misnomer as checks can be returned for many reasons. Regardless of return reason, we found that both paper and e-checks had return rates of about 2 percent.

EXHIBIT C: E-checks were typically returned for bad account numbers, while paper checks were most often returned for lack of funds.



Note: Percentages do not add up to 100 because less common reasons are excluded. Percentages are based on a review of 3,265 paper checks from a main bank account and 11,261 returned e-checks for all county agencies from January 1, 2021, through June 30, 2024. “Cannot use account” refers to an existing account that cannot be used, for example, because it is closed or frozen.

Source: King County Auditor’s Office analysis

² E-checks are a form of online payment where customers enter their bank routing number and bank account number.

**Lack of
information
increased risk**

County agencies made decisions about returned check fees without relevant information, increasing the risk of misalignment between strategies and goals.

In a review of seven county agencies, we found various approaches to returned check fees. Since these agencies vary widely in their lines of business and customer bases, they need not have the same approach to returned check fees. However, consistency could improve operations, and each agency should ensure its approach accounts for cost recovery in alignment with county revenue policies and adheres to relevant laws, rules, and county goals.³ As discussed below, some agencies decided how to apply returned check fees without conducting a cost recovery or equity analysis, while others did so without full awareness of the regulatory environment.

EXHIBIT D: Two agencies in our sample took narrow approaches to returned check fees.

| COUNTY AGENCY | CHARGES FEE? |
|---|--|
| Treasury Operations | ON PAPER CHECKS ONLY |
| Wastewater Treatment Division | FOR "LACK OF FUNDS" REASON ONLY |
| District Court | YES |
| Department of Judicial Administration | YES |
| Environmental Health Services | YES |
| Parks Division | YES |
| Regional Animal Services of King County | NO |

Note: Parks Division does not accept e-checks.

Source: King County Auditor's Office analysis

Best practice is to document processes and communicate quality information to achieve goals. The Finance and Business Operations Division (FBOD) did not have guidance on returned checks, limiting the availability of quality information. As a

³ See Office of Performance, Strategy and Budget (updated February 15, 2022), Comprehensive Financial Management Policies, Revenue Policies, IV, Fees and Grants, User Fees and Service Charges.

result of our audit, FBOD circulated to finance managers a draft policy on returned checks in November 2024.

Recommendation 1

The Finance and Business Operations Division should document and communicate guidance on returned check fees to all county agencies.

Treasury Operations approach lacked revenue basis

Treasury Operations limited fees to paper checks, opting not to collect 73 percent of potential fee revenue, increasing the risk of disparate treatment. As the agency responsible for collecting property tax payments, Treasury Operations gets more returned checks than any other county agency by a large margin.⁴ In 2023, it processed nearly 3,400 returned checks. Treasury Operations added returned check fees to the 27 percent of returned items that were paper checks but did not add the fees to the 73 percent of returns that were e-checks. As a result, Treasury Operations does not collect an estimated \$32,000 in annual revenue.⁵ Treasury Operations said that applying returned check fees to e-checks would increase processing costs, resulting in a net gain to the County of less than \$32,000. It has not calculated processing costs for either paper checks or e-checks nor set a cost recovery target.

⁴ For returned checks by check type for select agencies, see appendix 1.

⁵ We estimate that Treasury Operations could increase fee revenue to \$44,000 a year from \$12,000 a year based on the number of e-checks returned from 2020 through 2023, and assuming a stable collection rate at 43 percent. This is likely a conservative estimate since King County District Court saw the collection rate on its returned check fees more than doubled after it began accepting e-checks in 2021.

EXHIBIT E: Narrow approaches to returned check fees suppressed revenue.

| STRATEGY | ANNUAL REVENUE | FOREGONE REVENUE |
|---|----------------|------------------|
| King County Treasury Operations limited fee to paper checks | \$12,000 | \$32,000 |
| Wastewater Treatment Division limited fee to "lack of funds" reason | \$373 | \$5,000 |

FOREGONE REVENUE

=

FEE

X

EXEMPTED CHECKS

X

FEE COLLECTION RATE

\$35

Number of checks exempted from fee by agency rule

Annual revenue divided by number of checks subject to fee times the fee

Note: Annual revenue is the average for 2021 through 2023, reported in the central financial system. For foregone revenue, data for 2021 through 2023 is averaged for exempted checks, and the fee collection rate, which was 43 and 36 percent for Treasury Operations and Wastewater Treatment Division, respectively. See appendix 2 for returned check fee collection rates by year for select agencies.

Source: King County Auditor's Office analysis

King County revenue policies direct agencies that impose fees to prepare and periodically review the costs and fees to ensure adequate cost recovery. The policies direct agencies that do not recover county costs to maintain documentation of the policy rationale for the exception. Decisions about fees should take into consideration the full cost of providing a service, including the cost of administration. We found that vendor fees accounted for a small fraction of costs associated with returned checks, averaging \$2.30 per returned paper check, with no fee applied to e-checks. In contrast, the King County Council staff report supporting the increase in returned check fees in 2010 said Treasury Operations spent \$28.70 to process each returned check. Processing costs may have changed since 2009.

Treasury
Operations
approach
lacked equity
basis

By limiting fees to paper check users, Treasury Operations may disproportionately affect seniors and low-income communities. Research by Federal Reserve Bank of Atlanta shows that seniors are more likely than any other age group to pay with paper checks. It also suggests that people with higher incomes are more likely to make online payments. County revenue policies state that decisions

about fees should consider the impact of the fee on all residents, especially those economically at-risk and that variable pricing should support equity and other programmatic goals. Treasury Operations has not conducted an equity analysis on the use of returned check fees.

Treasury Operations’ website incorrectly informed customers that e-checks were subject to returned check fees. Treasury Operations said information on its website was intended to instruct customers how to enter account information correctly and that technical limitations made it difficult to apply the fee to e-checks users. Treasury Operations aims to address technical limitations with a new system in the next few years, however, faster workarounds exist. For example, both Wastewater Treatment Division and King County District Court mail paper notices to assess the fee on customers whose e-checks were returned.

Recommendation 2

King County Treasury Operations should develop, document, and implement a plan to periodically review the cost of returned checks to ensure returned check fees adequately recover costs and align with programmatic goals as outlined in King County Comprehensive Financial Management Policies.

WTD approach lacked equity basis

The Wastewater Treatment Division (WTD) limits returned check fees to checks returned for “lack of funds,” increasing cost burdens on customers with limited financial means. E-checks accounted for 90 percent of returned checks for capacity charge payments collected by WTD. Among these returned e-checks, only 10 percent were returned for lack of funds, compared with 81 percent returned for bad account numbers. WTD is the only agency we interviewed that limited returned check fees to a specific return reason. In addition, WTD’s website inaccurately informed customers that it assessed fees on e-checks returned for incorrect account information.

WTD has not reviewed the cost of returned checks alongside cost recovery and equity goals. If WTD were to expand returned check fees to all returned checks, it would increase its fee revenue twelvefold to an estimated \$5,000 a year from its current average of \$373.⁶ WTD did not anticipate that expanding the fee would result in inequities since people paying capacity charge payments tend to be new homeowners, thus less economically at-risk, and because customers in its low-

⁶ Our estimate is based on the number of returned checks and the fee collection rate from 2020 through 2023. WTD had an average collection rate of 36 percent.

income housing program were not among those with returned checks. Expanding the fee to more common reasons for return, such as bad account numbers, could also have a deterrent effect by motivating more customers to enter their account information correctly. Alternatively, a fee review could assess whether foregoing returned check fees all together would better align with fiscal and equity goals. WTD's strategy both lowers fee revenue and misses the opportunity to either prevent returned checks or lower administrative costs.

Recommendation 3

The Wastewater Treatment Division should develop, document, and implement a plan to periodically review the cost of returned checks to ensure returned check fees adequately recover costs and align with programmatic goals as outlined in King County Comprehensive Financial Management Policies.

Public Health fee too high

Public Health–Seattle & King County charges returned check fees per King County Code, charging customers more than Board of Health Code allows. The department charged customers a \$35 fee for returned checks in line with King County Code 4A.600.100. However, King County Board of Health Code 2.06.020 sets the fee at \$25.⁷ Because of the conflicting regulations, and without documented standard operating procedures or central guidance, staff did not know whether they were charging the correct rate. Best practice is to consider applicable laws and statutes before implementing specific fees. Environmental Health Services (EHS) Division collected about \$1,500 a year in returned check fees from 2020 to 2024.

EHS returns lacked oversight

EHS does not enter all returned checks into its receipting system, increasing the risk that it provides credit to customers out of alignment with state requirements. Between 2021 and 2023, EHS entered 85 percent of returned checks into its receipting system, leaving 35 payments in the system that did not clear the bank. As a result, cash receipts would not match accounting records and staff would need to do additional research to identify outstanding debts. By not updating receipts for all returned checks, EHS risked providing credit to private entities, which the state constitution prohibits. Department accounting staff kept a log of returned paper checks but did not monitor e-checks, which are more common. In addition,

⁷ Title 10 of King County Code, governing Solid Waste Division, also has its returned check fee listed as \$25. Solid Waste Division was not in the scope of this audit.

department staff did not document standard operating procedures for returned checks nor regularly share logs with division staff to ensure follow-up until customers paid their debt. Best practice is to document the internal control system, assign responsibility, and perform monitoring activities.

Recommendation 4

Public Health–Seattle & King County should develop, document, and implement standard operating procedures for returned checks that include pricing criteria, roles and responsibilities, and monitoring activities to ensure complete and accurate fee collection and data entry.



Section 2: Collections Procedures Lacked Oversight

SECTION SUMMARY

King County agencies do not have guidance to navigate the collections process, limiting consistency, accountability, and compliance. Just as agencies set their own returned check fees, they decide when and how to leverage the County's collection vendor for all types of debt, regardless of whether it results from a returned check. These decisions also involve tradeoffs. Using the collection vendor negatively affects customers with higher bills and negative credit reports, while mitigating risk to the County, which is prohibited from providing credit to private entities. If the County did not send any accounts to collections, customers might make fewer and later payments and, in effect, result in less revenue for government services or the County providing services on credit. In a review of five agencies,⁸ we found that Regional Animal Services of King County (RASKC) had the earliest standard collection timeline, and that Parks and EHS divisions lacked strong controls to ensure timely payments and consistent processes.

How much debt goes to collections?

King County agencies sent \$355,000 in debt to a collection agency through FBOD in 2023. This amount was down two-thirds from \$980,000 in 2017. The COVID-19 pandemic, from 2020 through 2022, reduced collections activity as governments took steps to limit economic burdens on residents. In this section, debt going to collections is inclusive of all unpaid debt and is not limited to debt resulting from returned checks.

⁸ King County agencies include Finance and Business Operations Division, which sends accounts to collections on behalf of various agencies; Regional Animal Services of King County; Parks Division; Environmental Health Services Division; and District Court. Treasury Operations and Wastewater Treatment Division do not send Property Tax and Capacity Charge accounts, respectively, to collections since they have other means to compel payment, such as property liens.

EXHIBIT F: County agencies sent less debt to collection vendor after the COVID-19 pandemic.**\$979,029**

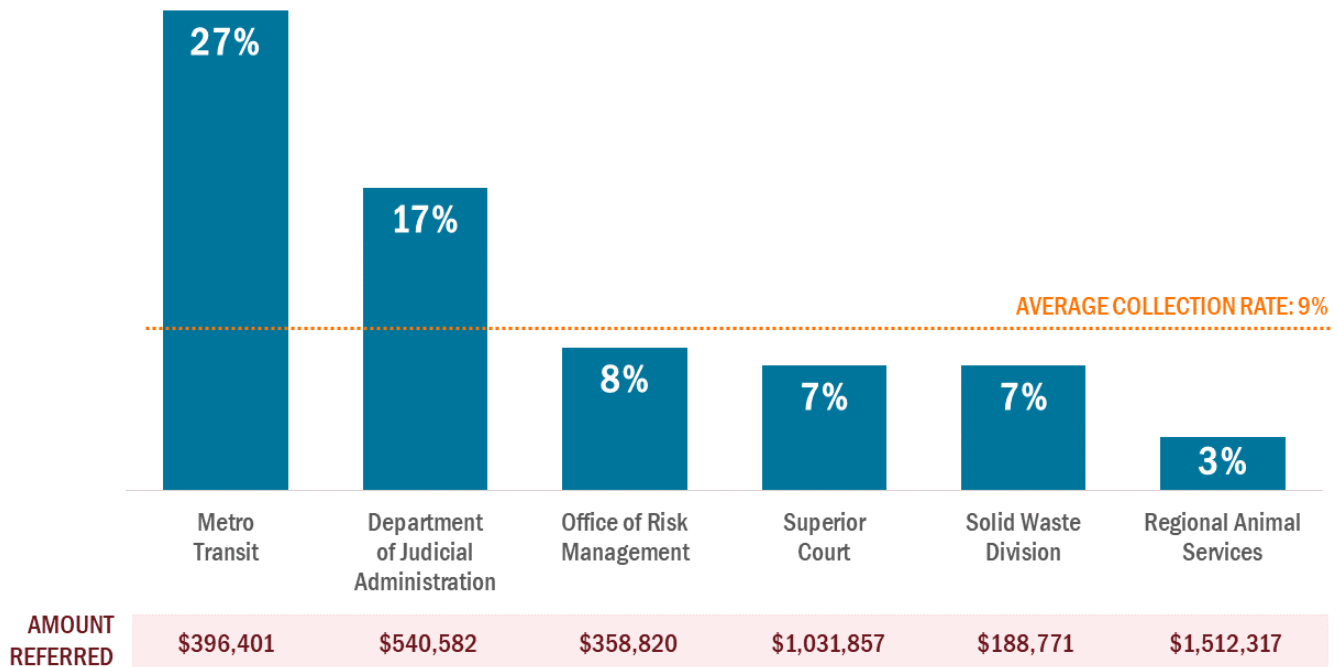
Note: Data is for all county agencies referring accounts to collections via the Finance and Business Operations Division. This excludes King County District Court. Dollar amounts shown are amounts referred less amounts canceled.

Source: King County Auditor's Office analysis

? What is the collection rate?

The collection rate refers to the amount received by King County from collections activity, divided by the amount referred to collections, minus the amount referred and then canceled. Collection rates varied widely by agency.

Between 2017 and mid-2024, county agencies combined collected 9 percent of debt sent to collections.

EXHIBIT G: Collection rates varied widely, even among agencies making annual referrals.

Note: Data is from 2017 through June 5, 2024, for agencies that made annual collections referrals through the Finance and Business Operations Division in that period. Collection rate refers to the amount collected, divided by the amount referred, less the amount canceled.

Source: King County Auditor's Office analysis

FBOD fee unchanged since 2010

FBOD has been charging the same administrative fee on debt referred to collections since 2010, increasing the risk that it is too high or too low to meet cost recovery and equity goals. FBOD's collection vendor adds a commission of 21 percent on top of the debt. In addition, FBOD adds a 10 percent administrative fee for the time it spends reconciling money sent by the vendor to agency accounts.⁹ FBOD has not conducted periodic reviews of this fee in accordance with county revenue policy. The policy directs agencies to prepare and periodically review costs to ensure fee revenues align with cost recovery goals and ensure that fee burdens are spread equitably.

⁹ FBOD charges the fee because it submits information to the vendor on behalf of other county agencies and makes accounting entries when the vendor remits payment. In contrast, King County District Court, which manages its own accounts directly with the vendor, does not charge an administrative fee.

EXHIBIT H: Customers with past due accounts in collections paid over 31 percent more than accounts not referred to collections.

| DESCRIPTION | PERCENT OF PRINCIPAL DEBT |
|--|---------------------------|
| Vendor commission | 21% |
| Finance and Business Operations Division administrative fee* | 10% |
| Interest** | 12% per year |

*Not applicable to King County District Court accounts.

**Interest is applied daily at a rate of 0.12, divided by 365 days.

Note: State law allows governments to charge people whose accounts are sent to collections a reasonable fee and notes that a fee of up to 50 percent of the first \$100,000 on an account is reasonable. Collections that involve litigation add another 9 percent vendor commission.

Source: King County Auditor's Office analysis

Recommendation 5

The Finance and Business Operations Division should develop, document, and implement a plan to periodically review the cost of reconciling payments from collections to ensure administrative fees adequately recover costs and align with programmatic goals as outlined in King County Comprehensive Financial Management Policies.

Lack of guidance reduced consistency

King County agencies developed approaches to collections without relevant information, increasing the risk of disparate treatment and noncompliance with state law. Because of the unique operating environment of each county agency, FBOD does not direct agencies on whether to send accounts to collections and does not have central guidance related to collections. Operating without relevant guidance, agencies made inconsistent decisions about how to treat customer debt. As discussed below, FBOD sends accounts to collections after they are 90 days past due, while one agency did so in half the time, and others lacked clear time standards. FBOD has had a legal review of its collection notices, while other agencies lacked standard notices, increasing the risk that customers were not provided timely and sufficient information about their debt. Central guidance would help agencies design and implement their own standard operating procedures to improve accountability and reduce the risk that credit is provided to private entities. Best practice is for

management to use quality information and communicate internally to achieve its objectives. As a result of our audit, FBOD circulated to finance managers a draft policy on collections in November 2024.

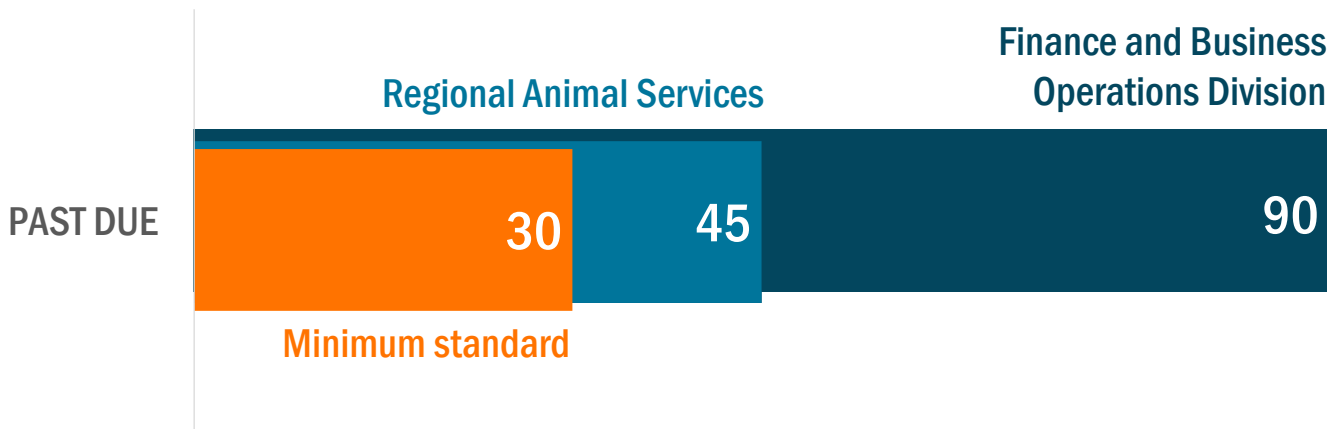
Recommendation 6

The Finance and Business Operations Division should develop, document, and communicate guidance on the use of collections to all county agencies.

RASKC accounts sent to collections early

RASKC sent accounts to collections earlier than any other agency in our sample, increasing the cost of debt for its customers. RASKC sends debt related to animal care violations and shelter stays to collections after 45 days. This is 15 days longer than the waiting period required by state law but half the time that FBOD considers standard practice. FBOD manages collections for agencies billing through King County's central finance system, including the Department of Judicial Administration, Metro Transit, Solid Waste Division, and Superior Court's Family Court Operations. Before 2020, RASKC sent accounts to collections after the state-mandated 30 days. It increased the collection time standard to 45 days to reduce financial burdens on customers amid the pandemic.

EXHIBIT I: Regional Animal Services of King County waited half as long as other agencies before sending debt to collections.



Source: King County Auditor's Office analysis

RASKC had the lowest collection rate of agencies in our sample. The reasons for this are varied. RASKC said that most debt was non-payment of fines rather than service fees, making it less comparable to other county agencies. That said, early handoff to the collection vendor may also affect collections. In guidance related to collections, the Office of the Washington State Auditor recommends relying more on internal (agency) collections than private debt collectors to provide better customer service and better understand reasons for non-payment, which could result in better rates of collection. RASKC staff mentioned the importance of building a positive, mission-driven relationship with community members and finding the most effective ways to contact people about their debt. Staff did not, however, have standard operating procedures that outlined how collections procedures would achieve these and other agency goals.

Recommendation 7

Regional Animal Services of King County should develop, document, and implement standard operating procedures for sending accounts to collections that address how processes align with agency goals related to equity, efficiency, and effectiveness.

Parks Division lacked standard process

Parks Division lacks clear processes for referring accounts to collections, increasing the risk of disparate treatment and noncompliance. Staff across the division's multiple revenue centers said that collections rules were unclear, outdated, or not being followed.¹⁰ One documented process said accounts went to collections after 90 days, while another said that accounts went to collections when all attempts have been made to collect, without a clear timeline. Similarly, Parks Division did not consistently apply other internal collection efforts, such as withholding reservations for customers with aging debt. Parks Division did not send any debt to collections between 2021 and mid-2024.

Letters notifying customers of debt cited a 15-day payment requirement, risking noncompliance with state law. State law requires a notification period of at least 30 days before sending accounts to collections. Parks Division staff reported that the agency did not have template letters to notify customers of outstanding debt and that the division drafted letters as needed.

¹⁰ Revenue centers include Marymoor Park, Regional Scheduling Unit, and King County Aquatic Center.

Recommendation 8

King County Parks Division should develop, document, and implement standard operating procedures for sending accounts to collections that include clear timelines, rules for any exceptions, and template letters that align with state requirements for notice of collection.

Parks Division facility saw invoice delays

Parks Division's King County Aquatic Center (KCAC) did not invoice customers in a timely way, increasing the risk it provided credit to private entities and reducing customer service. KCAC bills teams and organizations who book the facility for competitions and events. In a review of unpaid invoices dating back to January 2023, we found that the median time lag between the event date and invoice due date was two months, with 44 percent of invoices issued more than three months after the event occurred. This did not align with the agency's monthly billing requirement.

Because KCAC did not invoice customers regularly, some customer accounts with unpaid balances dating back several months appeared current. This could be considered providing credit to private entities, which the state constitution prohibits. Late billing also led to poor customer service for customers who wanted to make timely payments and did not know how much they owed. KCAC lacks standard operating procedures related to billing and did not regularly monitor how often invoices were going out.

Recommendation 9

King County Parks Division should develop, document, and implement standard operating procedures to ensure that Parks Division bills customers of the King County Aquatic Center monthly and that customers pay in full within 30 days of billing.

EHS lacked standard process

EHS lacks clear rules for referring accounts to collections, increasing the risk of disparate treatment and provision of credit to businesses out of alignment with state requirements. Between 2021 and September 2024, EHS sent three accounts totaling \$2,000 to collections despite having more than \$572,000 in unpaid debt across 579 invoices that was more than four months old.

EHS is divided into four sections managing a multitude of permits and inspections, ranging from restaurants, pools and spas, plumbing, piping and septic systems, and toxics such as solid and biomedical waste. Each section handles collections differently with limited oversight. Staff reported notifying customers of past due accounts via post, email, and in person (e.g., during on-site inspections), but EHS did not have standard operating procedures outlining the collections process and associated timelines. The Office of the Washington State Auditor recommends beginning collection efforts as soon as possible to increase the likelihood of collection and formalizing collections processes, including specifying when agencies will send debt to collections.

Recommendation 10

Public Health–Seattle & King County should develop, document, and implement standard operating procedures for sending accounts to collections that clarify roles and responsibilities at the division and department level.

Appendix 1: Returned Checks by Type for Select Agencies

EXHIBIT 1: Returned checks by type, 2021-2024*

| COUNTY AGENCY | 2021 | | 2022 | | 2023 | | 2024* | |
|---------------------------------------|-------|---------|-------|---------|-------|---------|-------|---------|
| | Paper | E-check | Paper | E-check | Paper | E-check | Paper | E-check |
| Treasury Operations | 819 | 1780 | 710 | 2236 | 918 | 2479 | 522 | 1558 |
| District Court | 100 | 154 | 124 | 213 | 121 | 316 | 158 | 52 |
| Wastewater Treatment Division | 35 | 248 | 42 | 435 | 45 | 456 | 28 | 249 |
| Department of Judicial Administration | 28 | 247 | 9 | 227 | 20 | 180 | 8 | 88 |
| Environmental Health Services | 13 | 53 | 38 | 53 | 32 | 39 | 22 | 42 |
| Regional Animal Services | 10 | 5 | 6 | 2 | 6 | 3 | 6 | 2 |
| Parks Division | 4 | – | 2 | – | 4 | – | 1 | – |

*2024 data is as of August 2 for Treasury Operations; September 11 for Wastewater Treatment Division; July 25 for Environmental Health Services; and June 30 for Department of Judicial Administration and Regional Animal Services of King County. Parks Division does not accept e-checks.

Source: King County Auditor's Office analysis

Appendix 2: Returned Check Fee Revenue and Collection Rate for Select Agencies

EXHIBIT 2: Returned check fee revenue, 2021-2023

| COUNTY AGENCY | 2021 | 2022 | 2023 | AVERAGE |
|---------------------------------------|----------|----------|----------|----------|
| Treasury Operations | \$10,052 | \$13,619 | \$12,366 | \$12,012 |
| District Court | \$1,393 | \$4,457 | \$8,211 | \$4,687 |
| Wastewater Treatment Division | \$735 | \$280 | \$105 | \$373 |
| Department of Judicial Administration | \$5,121 | \$6,120 | \$3,780 | \$5,007 |
| Environmental Health Services | \$1,260 | \$1,784 | \$1,610 | \$1,551 |

Source: King County Auditor's Office analysis

EXHIBIT 3: Returned check fee collection rate, 2021-2023

| COUNTY AGENCY | 2021 | 2022 | 2023 | AVERAGE |
|---------------------------------------|------|------|------|------------|
| Treasury Operations | 35% | 55% | 38% | 42% |
| District Court | 16% | 38% | 54% | 39% |
| Wastewater Treatment Division | 88% | 14% | 5% | 23% |
| Department of Judicial Administration | 61% | 86% | 62% | 69% |
| Environmental Health Services | 55% | 56% | 65% | 58% |

Notes: Collection rate is actual revenues divided by expected revenues, assuming agency fee rules and no fee waivers. Fee waivers are necessary in some cases to comply with state law, which does not allow returned check fees in cases of legitimate stop pay orders. King County District Court attributed its increase in collection rates from 2021 to 2022 to the court beginning to accept e-checks.

Source: King County Auditor's Office analysis



Appendix 3: Excerpt from County Revenue Policies

Below is an excerpt from the Office of Performance, Strategy, and Budget's "Comprehensive Financial Management Policies" document, Revenue Policies section, part IV, updated February 15, 2022.

Fees and Grants

User Fees and Service Charges

1. County services that provide private benefit should be supported by fees and charges borne by the direct beneficiary. In determining whether to subsidize a service, the County can consider subsidizing a portion of the cost of service or implementing variable pricing to support equity and social justice goals, County local government services, environmental concerns, or economic development.
2. Charges for services that benefit specific users should recover the full cost of the service to the County within legal constraints. This shall include direct and indirect costs, associated capital costs, department and countywide overhead, and the cost of risk. Departments that impose fees or service charges should prepare and periodically review the cost-of-service in order to ensure adequate cost recovery and that revenues are meeting intended program goals. Charges for space or real estate should be consistent with either the County's streamlined rate or comparable market leases.
3. Consideration of fee and user charges will take the following into account:
 - The true or comprehensive cost of providing a service, including the cost of fee collection and administration,
 - Consistency with the County's financial policies and the King County Strategic Plan,
 - Stability of the revenue source over its expected life,
 - The degree to which a service provides a positive regional benefit in addition to the direct private benefit provided to a specific business, property, or individual,
 - The economic impact of new or expanded fees, especially in comparison with other governments within the metropolitan area, and
 - The impact of increasing or imposing the fees and user charges on all residents, especially on economically at-risk populations, businesses, and other organizations.
4. Any charges for services or fees that do not recover County costs or real estate assets that are charged out below market should maintain documentation on the policy rationale for the exception.

Appendix 4: Executive Response

King County Executive
401 Fifth Avenue, Suite 800
Seattle, WA 98104
206-296-9600 Fax 206-296-0194
TTY Relay: 711
www.kingcounty.gov

January 16, 2025

Kymber Waltnunson
King County Auditor
516 Third Ave Suite 1033
Seattle, WA 98104

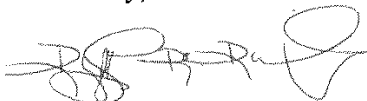
Dear Ms. Waltnunson:

Thank you for the opportunity to review and comment on the proposed audit report titled
“Opportunities for Improvement in Returned Check Fees, Collections.”

The enclosed recommendation table outlines responses to each of the ten (10) recommendations. The agencies audited concur with each of the recommendations. These recommendations will support improvements in the areas of efficiency and equity, consistent with the Executive branch values “we are racially just” and “we are responsible stewards.”

We appreciate the time and effort your staff have put into this audit. All audited agencies look forward to providing updates about our progress on the recommendations.

Sincerely,



Dwight Dively,
Chief Operating Officer

c:

Shannon Braddock, Deputy County Executive, Office of the Executive
Karan Gill, Chief of Staff, Office of the Executive
Jennifer Hills, Deputy Chief Operating Officer, Office of the Executive
Kelli Carroll, Director of Special Projects, Office of the Executive
Lorraine Patterson-Harris, Director, Department of Executive Services (DES)
Dr. Faisal Khan, Director, Public Health – Seattle and King County (PHSKC)
John Taylor, Director, Department of Natural Resources and Parks (DNRP)
Ken Guy, Director, Finance and Business Operations Division, DES
Dylan Orr, Director, Environmental Health Services Division, PHSKC
Kamuron Gurol, Director, Wastewater Treatment Division, DNRP
Norm Alberg, Director, Records and Licensing Services Division, DES
Warren Jimenez, Director, Parks and Recreation Division, DNRP

Recommendation 1

The Finance and Business Operations Division should document and communicate guidance on returned check fees to all county agencies.

AGENCY RESPONSE

CONCURRENCE **CONCUR**

IMPLEMENTATION DATE 3/31/2025

RESPONSIBLE AGENCY Finance and Business Operations Division

COMMENT No comment

Recommendation 2

King County Treasury Operations should develop, document, and implement a plan to periodically review the cost of returned checks to ensure returned check fees adequately recover costs and align with programmatic goals as outlined in King County Comprehensive Financial Management Policies.

AGENCY RESPONSE

CONCURRENCE **CONCUR**

IMPLEMENTATION DATE 9/2/2025

RESPONSIBLE AGENCY Finance and Business Operations Division

COMMENT No comment

Recommendation 3

The Wastewater Treatment Division should develop, document, and implement a plan to periodically review the cost of returned checks to ensure returned check fees adequately recover costs and align with programmatic goals as outlined in King County Comprehensive Financial Management Policies.

AGENCY RESPONSE

CONCURRENCE **CONCUR**

IMPLEMENTATION DATE 03/31/2025

RESPONSIBLE AGENCY Wastewater Treatment Division (WTD)

COMMENT Effective January 1, 2025, WTD commenced charging a \$35 returned check fee for all payment returns (paper checks and electronic checks) regardless of return reason. In 2025 WTD will review the cost of processing returned checks, related bank fees, and assessing associated return check fees. WTD is implementing a new process for declined electronic checks now so that data is available to perform a cost recovery assessment of this activity.

Recommendation 4

Public Health–Seattle & King County should develop, document, and implement standard operating procedures for returned checks that include pricing criteria, roles and responsibilities, and monitoring activities to ensure complete and accurate fee collection and data entry.

AGENCY RESPONSE

CONCURRENCE **CONCUR**

IMPLEMENTATION DATE 12/31/2025

RESPONSIBLE AGENCY Public Health-Seattle & King County (PHSKC)

COMMENT PHSKC will develop, document, and implement departmentwide standard operating procedures for returned checks, that include pricing criteria, roles and responsibilities, and monitoring activities to ensure complete and accurate fee collection and data entry.

Recommendation 5

The Finance and Business Operations Division should develop, document, and implement a plan to periodically review the cost of reconciling payments from collections to ensure administrative fees adequately recover costs and align with programmatic goals as outlined in King County Comprehensive Financial Management Policies.

AGENCY RESPONSE

CONCURRENCE **CONCUR**

IMPLEMENTATION DATE 3/31/2025

RESPONSIBLE AGENCY Finance and Business Operations Division

COMMENT No comment

Recommendation 6

The Finance and Business Operations Division should develop, document, and communicate guidance on the use of collections to all county agencies.

AGENCY RESPONSE

CONCURRENCE **CONCUR**

IMPLEMENTATION DATE 8/29/2025

RESPONSIBLE AGENCY Finance and Business Operations Division

COMMENT No comment

Recommendation 7

Regional Animal Services of King County should develop, document, and implement standard operating procedures for sending accounts to collections that address how processes align with agency goals related to equity, efficiency, and effectiveness.

AGENCY RESPONSE

CONCURRENCE **CONCUR**

IMPLEMENTATION DATE 12/31/2025 (Following FBOD implementation of Recommendation 6)

RESPONSIBLE AGENCY Records and Licensing Services Division

COMMENT Regional Animal Services of King County will develop, document, and implement standard operating procedures as recommended.

Recommendation 8

King County Parks Division should develop, document, and implement standard operating procedures for sending accounts to collections that include clear timelines, rules for any exceptions, and template letters that align with state requirements for notice of collection.

AGENCY RESPONSE

CONCURRENCE **CONCUR**

IMPLEMENTATION DATE 6/30/2025 (with possible subsequent edits resulting from Recommendation #6)

RESPONSIBLE AGENCY King County Parks and Recreation Division

COMMENT No comment

Recommendation 9

King County Parks Division should develop, document, and implement standard operating procedures to ensure that Parks Division bills customers of the King County Aquatic Center monthly and that customers pay in full within 30 days of billing.

AGENCY RESPONSE

CONCURRENCE **CONCUR**

IMPLEMENTATION DATE 6/30/2025

RESPONSIBLE AGENCY King County Parks and Recreation Division

COMMENT No comment

Recommendation 10

Public Health–Seattle & King County should develop, document, and implement standard operating procedures for sending accounts to collections that clarify roles and responsibilities at the division and department level.

AGENCY RESPONSE

CONCURRENCE **CONCUR**

IMPLEMENTATION DATE 12/31/2025

RESPONSIBLE AGENCY Public Health-Seattle & King County (PHSKC)

COMMENT By the end of 2025, PHSKC will develop, document, and implement departmentwide standard operating procedures for sending accounts to collections that clarify roles and responsibilities at the division and department level.



Appendix 5: Statement of Compliance, Scope, Objective, & Methodology

Statement of Compliance with Government Auditing Standards

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Scope of Work on Internal Controls

We assessed internal controls related to the objectives of having cost-effective and equitable returned check fees and collections processes. We considered whether agencies had documented procedures and relevant information such as costs, cost recovery targets, and other competing goals, like equity, that might affect cost recovery. We tested whether procedures were followed in practice and, if not, what if any monitoring and oversight activities were in place and the extent to which roles and responsibilities were clearly articulated. Our review of internal controls included enforcement of accountability within the control environment, control activities, information and communication, and monitoring. We considered the design, implementation, and effectiveness of internal controls.

Scope

This audit will review the processes and data associated with checks issued to King County agencies and returned by the financial institution. Processes include the use of handling fees, under King County Code 4A.600.100, as well as collections activities carried out by agencies and King County's collections vendor. Checks include both physical checks and e-checks. We will assess processes in place in 2023 and 2024 in the context of data and practices dating back to 2017. County agencies will include those accepting and handling checks. The following agencies are included in our agency data sample, which may be expanded or contracted based upon preliminary observations and risk:

- Department of Executive Services
 - King County International Airport
 - Facilities Management Division, Real Estate Services
 - Finance and Business Operations Division, Accounts Receivable
 - Finance and Business Operations Division, Treasury Operations
 - Records and Licensing Services, Regional Animal Services of King County

- King County District Court
- Department of Natural Resources and Parks
 - Parks Division
 - Wastewater Treatment Division
- Public Health–Seattle & King County, Environmental Health Services Division

Objectives

1. To what extent do returned checks affect county revenue?
2. To what extent are processes for handling returned checks equitable and effective?
3. To what extent do fees associated with returned checks and collections comply with county code, state law, and contract provisions?

Methodology

To determine the impact of returned checks on King County revenue, we compared actual returned check fee revenues reported in the County's central finance system or agency side systems, to expected and potential revenues. Expected revenues are revenues that would be collected if the agency had a collection rate of 100 percent on all returned checks, given their existing fee rules. Potential revenues are revenues that could have been collected at the existing collection rate, assuming more expansive fee rules, such as applying fees to e-checks instead of only to paper checks, to all checks instead of no checks, or to all return reasons instead of one.

To get counts of returned checks, we requested data on all returned e-checks from the County's e-payment vendor for 2021 through June 2024. We also pulled data directly from the web portal of the County's banking services provider, for a list of all paper checks. Where additional information was needed to assign checks to the correct agency, we used returned check logs provided by King County Treasury Operations and the Accounts Receivable section of Finance and Business Operations Division or requested counts or queries from agency side systems.

To determine the extent to which processes were equitable and effective, we interviewed staff working on accounts receivable and customer service from the Finance and Business Operations Division, Wastewater Treatment Division, Environmental Health Services Division, Public Health–Seattle & King County, King County Parks Division, King County District Court, Department of Judicial Services, King County Treasury Operations, King County Information Technology, King County International Airport, Real Estate Services Division, Regional Animal Services of King County, and the Prosecuting Attorney's Office. We reviewed documented processes and procedures from agencies we interviewed as well as state law, King County Code, county financial policies, the County's most recent Equity and Social Justice Strategic Plan, and best practices on accounts receivable and fee setting from the Office of the Washington State Auditor,

Government Finance Officers Association, and US Government Accountability Office. To understand customer payment preferences, we reviewed consumer diary research by the Federal Reserve Bank of Atlanta.

Depending on the results of our interviews and document reviews, we tested accounting records to ensure that returned checks and returned check fees were recorded accurately and completely, and reviewed data on aging accounts to see whether it aligned with stated processes. To check for comprehensiveness, we requested queries of returned checks from agency receipting systems and compared total counts by year to the data from the bank and the e-payment vendor. To verify collections processes, we reviewed accounts receivable aging data in King County's central finance system, or requested agency reports, or data sets listing unpaid accounts by age to see the value of accounts more than 90 days old. Where staff indicated that delayed invoicing may impact the aging reports, we looked up customer accounts directly in the agency point of sale system to see the date of their service. Where data was available, we also calculated the time lag between check payments, check returns, notices of returned checks, and payment, and tested the frequency at which specific customers sent in returned checks.

To determine the extent to which fees complied with county code, state law, and contract provisions, we conducted document review of King County Code, state and federal law, and the collections contract. We pulled data directly from the collections vendor's website on accounts referred to collections and the extent to which customers had paid on those accounts. We also used the vendor website to pull remittance statements for agencies in our sample with statements that were from 2017 or later. Where statements were within these parameters, we reviewed a judgmental sample of the most recent remittance statements to ensure that dollar amounts matched stated commission, interest, and administrative fee rates.



Appendix 6: List of Recommendations

Recommendation 1

The Finance and Business Operations Division should document and communicate guidance on returned check fees to all county agencies.

Recommendation 2

King County Treasury Operations should develop, document, and implement a plan to periodically review the cost of returned checks to ensure returned check fees adequately recover costs and align with programmatic goals as outlined in King County Comprehensive Financial Management Policies.

Recommendation 3

The Wastewater Treatment Division should develop, document, and implement a plan to periodically review the cost of returned checks to ensure returned check fees adequately recover costs and align with programmatic goals as outlined in King County Comprehensive Financial Management Policies.

Recommendation 4

Public Health–Seattle & King County should develop, document, and implement standard operating procedures for returned checks that include pricing criteria, roles and responsibilities, and monitoring activities to ensure complete and accurate fee collection and data entry.

Recommendation 5

The Finance and Business Operations Division should develop, document, and implement a plan to periodically review the cost of reconciling payments from collections to ensure administrative fees adequately recover costs and align with programmatic goals as outlined in King County Comprehensive Financial Management Policies.

Recommendation 6

The Finance and Business Operations Division should develop, document, and communicate guidance on the use of collections to all county agencies.

Recommendation 7

Regional Animal Services of King County should develop, document, and implement standard operating procedures for sending accounts to collections that address how processes align with agency goals related to equity, efficiency, and effectiveness.

Recommendation 8

King County Parks Division should develop, document, and implement standard operating procedures for sending accounts to collections that include clear timelines, rules for any exceptions, and template letters that align with state requirements for notice of collection.

Recommendation 9

King County Parks Division should develop, document, and implement standard operating procedures to ensure that Parks Division bills customers of the King County Aquatic Center monthly and that customers pay in full within 30 days of billing.

Recommendation 10

Public Health–Seattle & King County should develop, document, and implement standard operating procedures for sending accounts to collections that clarify roles and responsibilities at the division and department level.

Appendix 7: Advancing Performance & Accountability

KYMBER WALTMUNSON, KING COUNTY AUDITOR

MISSION Improve government performance, accountability, and transparency by providing impactful, independent analyses

VALUES INDEPENDENCE • CREDIBILITY • IMPACT

The King County Auditor's Office is committed to equity, social justice, and ensuring that King County is an accountable, inclusive, and anti-racist government. While planning our work, we develop research questions that aim to improve the efficiency and effectiveness of King County government and to identify and help dismantle systemic racism. In analysis we strive to ensure that communities referenced are seen, not erased. We promote aligning King County data collection, storage, and categorization with just practices. We endeavor to use terms that are respectful, representative, and people- and community-centered, recognizing that inclusive language continues to evolve. For more information, see the King County [Equity and Social Justice Strategic Plan](#), King County's [statement on racial justice](#), and the King County [Auditor's Office Strategic Plan](#).

ABOUT US The King County Auditor's Office was created by charter in 1969 as an independent agency within the legislative branch of county government. The office conducts oversight of county government through independent audits, capital projects oversight, and other studies. The results of this work are presented to the Metropolitan King County Council and are communicated to the King County Executive and the public. The King County Auditor's Office performs its work in accordance with Government Auditing Standards.



This audit conforms to Generally Accepted Auditing Standards for independence, objectivity, and quality.