

RESOLUTION NO. R- 4104

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN INTERLOCAL AGREEMENT WITH KING COUNTY REGARDING THE BILLING AND REVENUE COLLECTION FOR SURFACE WATER SERVICE CHARGES AND AUTHORIZING THE CITY MANAGER TO SIGN SAID AGREEMENT ON BEHALF OF THE CITY OF KIRKLAND.

WHEREAS, Kirkland recognizes the need for comprehensive surface water management to preserve and protect the environment, public and private property, and the health and welfare of its citizens, and

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

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

WHEREAS, the City of Kirkland and King County are authorized to enter into agreements pursuant to RCW 39.34, the Interlocal Cooperation Act; and

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City an interlocal agreement substantially similar to the agreement attached hereto as Exhibit A.

PASSED by majority vote of the Kirkland City Council in regular, open meeting this 7th day of October, 1997.

SIGNED in authentication thereof this 7th day of October, 1997.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

**INTERLOCAL AGREEMENT BETWEEN KING COUNTY AND  
THE CITY OF KIRKLAND  
FOR BILLING AND REVENUE COLLECTION  
FOR SURFACE WATER SERVICE CHARGES**

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

WHEREAS, Kirkland recognizes the need for comprehensive surface water management to preserve and protect the environment, public and private property, and the health and welfare of its citizens, and

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

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

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

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

- I. Purpose of the Agreement:
  - A. To establish and set forth the services the parties agree will be provided for the billing and collection of the surface water management service charge on properties located in the City of Kirkland.
  - B. To establish a means whereby the County can act as the City's agent to collect the City's surface water service charge from property owners and transmit revenues collected to the City.
- II. Administration
  - A. The City and King County shall each appoint a representative to review compliance with this agreement and to resolve any conflicts. The administrators of

the agreement shall meet as needed. Either party is authorized to convene a meeting with a minimum of ten (10) calendar days written notice to the other.

- B. Any conflict that is not resolved by the agreement administrators within ten (10) working days of the meeting held to discuss the conflict shall be referred for resolution to the City Manager and the WLRD Manager. If the conflict cannot be resolved by the City Manager and the WLRD Manager, it shall be resolved by the City Manager and the Director of the King County Department of Natural Resources (DNR).

### III. Description of Surface Water Service Charge Billing and Collection Services:

The services provided under this agreement include:

- A. modifying King County's automated billing system to incorporate the City's surface water service charge rate structure and to allow the County to bill Kirkland property owners for the City's surface water management service charge.
- B. customer services related to surface water service charge billing and revenue collection for Kirkland property owners,
- C. collection and transferal of cash receipts,
- D. maintaining and updating Kirkland's customer information database, except that Kirkland will be responsible for providing information on new commercial accounts,
- E. processing and mailing billing statements, delinquency notices and other correspondence,
- F. incorporating surface water management fee rate changes,
- G. providing reports, and
- H. other services related to billing and revenue collection as requested.

### IV. Responsibilities of the Parties - Service Charge Billing and Collection:

- A. **King County:**
  - 1. King County will input computer billing system changes to allow the County to bill for Kirkland surface water service accounts using the City's service water service charge rate structure.
  - 2. King County will collect and distribute to Kirkland revenue received from

properties within the city of Kirkland using the County's combined Property Tax and Drainage Billing Statement. These services, as described in agreement section III., will commence for the 1998 billing year.

3. King County will hold revenues collected for Kirkland in a separate account and will disburse the revenue to the City on each business day.
4. King County will provide the City with information about delinquent accounts.

**B. Kirkland:**

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

**V. Financial Arrangements**

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

1. Kirkland will pay an annual per-account fee for surface water management service charge billing, customer database management, and customer service. The fee is one dollar and seventy-seven cents (\$1.77) per customer account for 1997. King County may adjust the fee annually, based on staff and overhead cost changes authorized in the adopted King County annual

budget.

2. Kirkland will pay a one-time fee of one dollar and eighty six cents (\$1.86) per account to cover the cost of modifying the billing system for Kirkland accounts. The fee will be billed and paid in two annual installments of ninety-three cents (\$0.93). The first half of the charge will appear on the first bill for services.
3. Kirkland will pay the County a one-time specialized set up fee in addition to the normal set-up charge for new billing. This fee is estimated to be \$5,000 and will cover the costs of incorporating the City's surface water service charge structure into the County's billing system.
4. Pursuant to RCW 84.56.035, Kirkland will pay the County a flat one percent (1%) of all revenue collected by the County for Kirkland under the terms of this Agreement. This charge is not part of the per-account fee.

**B. Billing and Payment for Services**

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

**VI. Effectiveness and Duration:**

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

VII. Amendments, Extension or Termination:

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

VIII. Hold Harmless and Indemnification:

- A. The County shall indemnify and hold harmless the City and its officers, agents and employees, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, by reason of or arising out of any negligent act or omission of the County, its officers, agents and employees, or any of them, relating to or arising out of the performance of this Agreement. In the event that any such suit based upon such a claim, action, loss or damage is brought against the City, the County shall defend the same at its sole cost and expense; provided, that the City reserves the right to participate in such a suit if any principle of governmental or public laws is involved. If final judgment be rendered against the City and its officers, agents and employees, or any of them, or jointly against the City and the County and their respective officers, agents and employees, or any of them, the County shall satisfy the same.
- B. In executing this Agreement, the County does not assume liability or responsibility for, or in any way release the City from, any liability or responsibility which arises in whole or in part from the existence or effect of City ordinances, rules or regulations. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such City ordinance,

rule or regulation is at issue, the City shall defend the same at its sole expense and if judgment is entered or damages are awarded against the City, the County or both, the City shall satisfy the same, including all chargeable costs and attorney's fees.

- C. In executing this Agreement, the City does not assume liability or responsibility for or in any way release the County from any liability or responsibility which arises in whole or in part from the existence or effect of County ordinances, rules or regulations. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such County ordinance, rule or regulation is at issue, the County shall defend the same at its sole expense and if judgment is entered or damages are awarded against the County, the City or both, the County shall satisfy the same, including all chargeable costs and attorney's fees.
- D. The City shall indemnify and hold harmless the County and its officers, agents and employees, or any of them, from any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, by reason of or arising out of any negligent act or omission of the City, its officers, agents and employees, or any of them, relating to or arising out of the performance of this Agreement. In the event that any suit based on such a claim, action, loss or damage is brought against the County, the City shall defend the same at its sole cost and expense; provided that the County reserves the right to participate in said suit if any principle of governmental law is involved; and if final judgment be rendered against the County, and its officers, agents and employees, or any of them, or jointly against the County and their respective officers, agents and employees, or any of them, the City shall satisfy the same.
- E. The foregoing indemnity is specifically and expressly intended to constitute a waiver of each party's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the other party only, and only to the extent necessary to provide the indemnified party with a full and complete indemnity of claims made by the indemnitor's employees. The parties acknowledge that these provisions were

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:

\_\_\_\_\_  
Deputy Prosecuting Attorney

\_\_\_\_\_  
King County Executive

Approved as to Form

CITY OF KIRKLAND:

\_\_\_\_\_  
Legal Counsel

\_\_\_\_\_  
City Manager



Exhibit One

## City of Kirkland Surface Water Service Charge Rate Structure

| Account Type                             | Monthly charge per account  |
|--|---|
| Single-family Residential                | \$3.00  |
| Multi-family/Commercial                  | \$3.00 per ESU*   |
| Condominiums (rate per condominium unit) | total site impervious service/2,600 = # ESUs<br>\$3.00 per ESU/# of condominium units |

\*ESU = impervious square feet/2,600. In cases where ESU is calculated to be less than one, accounts will be billed for one ESU. The single-family residential rate is considered to represent one ESU.

Senior Citizen Rate

Qualified low-income senior citizens, as defined in Kirkland municipal code 15.56.040, are charged 50% of the basic charge per ESU.

Exhibit Two**Estimated Annual Service Charge Billing and Revenue Collection Costs**

| Cost Component   | Cost per account        | number of accounts | Cost (\$)       |
|--|-------------------------|--------------------|-----------------|
| Annual billing charge  | \$1.77<br>(per '97 fee) | 11,000             | 19,470          |
| System setup fee (first 2 years only)  | .93                     | 11,000             | 10,230          |
| 1% Revenue Collection fee*<br>(based on estimated annual revenue of \$1,000,000) | N/A                     | N/A                | 10,000          |
| <b>TOTAL (years 1 and 2)</b>   |                         |                    | <b>\$39,700</b> |
| <b>TOTAL (year 3 and beyond)</b>   |                         |                    | <b>\$29,470</b> |

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