

**INTERLOCAL AGREEMENT BETWEEN
PIERCE COUNTY AND THE CITY OF UNIVERSITY PLACE
REGARDING SURFACE WATER MANAGEMENT SERVICE CHARGES
COLLECTED BY PIERCE COUNTY DURING 1995 AND FOR SURFACE
WATER MANAGEMENT BILLING SERVICES**

THIS AGREEMENT is entered into this day by and between **PIERCE COUNTY**, a political subdivision of the State of Washington (herein referred to as "COUNTY") and the **CITY OF UNIVERSITY PLACE**, a municipal corporation of the State of Washington (herein referred to as "CITY") and is applicable to all properties located within the geographic area described in Exhibit "A" (herein referred to as "incorporated area") attached hereto and incorporated by this reference.

WHEREAS, pursuant to Chapter 35.02 Revised Code of Washington (RCW), the CITY established August 31, 1995 as its official date of incorporation and upon that date commenced operations as a CITY; and

WHEREAS, pursuant to Chapter 35.02 RCW, as of the date of incorporation local governmental authority and jurisdiction with respect to the newly incorporated area transferred from the COUNTY to the CITY; and

WHEREAS, the COUNTY operates a storm drainage and surface water management utility pursuant to Pierce County Code Chapter 11.02 and has instituted a surface water management service charge upon all properties within unincorporated Pierce County and those service charges are included in the COUNTY's real property tax billings which are due in April and October annually; and

WHEREAS, the COUNTY has developed a computer processing system to manage the billing, payment receipt, and tracking by parcel of surface water management service charges from property owners within unincorporated Pierce County; and

WHEREAS, on or about August 28, 1995, the CITY adopted its own surface water management ordinance (Ordinance No. 57) which authorized the imposition and collection of surface water management service charges at the same rate and manner as the COUNTY; and

WHEREAS, Ordinance No. 57 also expressed the CITY's intent to assume responsibility for storm and surface water management within the incorporated area; and

WHEREAS, the COUNTY has already billed and is in the process of collecting surface water management service charges from property owners within the incorporated area for 1995; and

WHEREAS, the CITY and the COUNTY have agreed that the COUNTY will remit to the CITY a portion of the surface water management service charges collected from properties within the incorporated area during the last four months of 1995 on the condition that the service charges are utilized by the CITY for surface water management related activities within the CITY; and

WHEREAS, the CITY has also determined it is more cost effective to contract with the COUNTY to provide certain billing, payment receipt, and parcel tracking services for surface water management service charges; and

WHEREAS, the COUNTY has agreed to provide certain billing, payment receipt, and parcel tracking services to the CITY to assist the CITY in the collection of its surface water management service charges from properties within the incorporated area; and

WHEREAS, the parties are authorized to enter into such agreements by virtue of RCW Chapter 39.34 and Section 35.02.225;

NOW, THEREFORE, in consideration of the terms and conditions contained herein, it is mutually agreed by and between the COUNTY and the CITY as follows:

SECTION 1. PURPOSE. The purpose of this agreement is to document the agreement between the parties relating to the disposition of a portion of surface water management service charges collected by the COUNTY from properties within the incorporated area during the last four months of 1995 and to memorialize the agreement between the parties relating to the provision by the COUNTY of future billing, payment receipt, and parcel tracking services for purposes of collecting the CITY's surface water management service charges from properties within the incorporated area.

SECTION 2. COUNTY WILL REMIT A PORTION OF THE CHARGES COLLECTED FROM PROPERTIES WITHIN THE CITY. Within fifteen (15) days of the date of execution of this agreement, the COUNTY will transfer to the CITY's surface water management fund a portion of the surface water management service charges collected from properties within the CITY during the last four months of 1995. The amount remitted shall be \$151,060.00 and is based on the calculation described in Exhibit "B" attached hereto and incorporated herein. This transfer shall be a one time only transfer and no further COUNTY surface water management funds will be transferred to the CITY for fiscal 1995 unless done pursuant to an amendment to this agreement. Collection of any delinquent County surface water management service charges attributed to and owed by properties within the incorporated area prior to August 31, 1995 shall be conducted by the COUNTY and the COUNTY shall retain any such charges collected.

SECTION 3. CITY SHALL USE THE TRANSFERRED FUNDS FOR SURFACE WATER RELATED ACTIVITIES. The CITY agrees that the \$151,060.00 shall be utilized for performing CITY designated surface water management related activities. The distribution of transferred funds among CITY surface water management activities and the prioritization of activities shall be determined by the CITY.

SECTION 4. COUNTY SHALL PROVIDE BILLING, PAYMENT RECEIPT, AND PARCEL TRACKING SERVICES. The COUNTY shall utilize its computer billing system to manage the billing, mailing, payment receipt, and parcel tracking of CITY surface water management service charges imposed on parcels within the incorporated area during the term of this agreement. The payments received by the COUNTY on behalf of the CITY will be distributed to the CITY on the same day as the CITY's property taxes are distributed.

SECTION 5. CITY SHALL PAY TO THE COUNTY A SYSTEM CONVERSION FEE. In consideration of the COUNTY's provision of billing, payment receipt, and parcel tracking services to the CITY, the CITY shall pay to the COUNTY a sum of \$50,000.00 to cover the costs involved in making changes to the COUNTY's computer system. Said payment shall occur on or before January 31, 1996.

SECTION 6. CITY SHALL REMIT TO THE COUNTY AN ANNUAL FEE FOR PROVIDING BILLING SERVICES. In further consideration of the COUNTY providing the billing, payment receipt, and parcel tracking services described herein, the CITY shall remit to the COUNTY on or before June 30, 1996, the sum of \$20,000.00 to the COUNTY to compensate the COUNTY for providing said services.

For each year after 1996, the annual costs for billing and payment receipt services will be adjusted based on the CITY's pro rata share of any system upgrade that is beneficial to the CITY and based on the growth in the previous calendar year's January to December Seattle Consumer Price Index for Urban Consumers. Any annual increase will be limited to a minimum of three percent (3%) and a maximum of six percent (6%).

When system modifications beyond the scope of normal and existing account and data base maintenance work is requested by the CITY, the COUNTY will review the request, and if appropriate, approve the request and perform the modification. The modification will be authorized by the CITY in writing and billed on a time and material basis by the COUNTY.

SECTION 7. COMPATIBILITY OF SERVICE CHARGES. This agreement assumes that the CITY has adopted the same surface water management service charge structure as the COUNTY. Should the CITY amend its service charge structure to be different from the COUNTY's structure, the CITY shall provide written notice to the COUNTY no less than sixty (60) days prior to the implementation of a new service charge structure. The COUNTY shall respond within twenty (20) working days of the receipt of such proposal with an indication

whether such a change would be compatible with the COUNTY's billing system and that modifications will be made to the County's system pursuant to Section 6, or whether the COUNTY will elect to terminate the agreement, pursuant to Section 10, and have the CITY assume responsibility for the billing functions provided pursuant to this agreement.

Similarly, should the COUNTY amend its service charge structure, it shall notify the CITY no less than sixty (60) days prior to the implementation of a new service charge structure. The CITY shall respond within twenty (20) working days as to whether it will also act to amend its rate or whether it will elect to terminate the agreement, pursuant to Section 10, and assume responsibility for the billing functions provided by the COUNTY.

SECTION 8. CITY SHALL BE RESPONSIBLE FOR FORECLOSURE

ACTIONS. The COUNTY shall not be responsible for liening and foreclosing against those properties within the incorporated area that fail or refuse to pay CITY surface water management service charges. The liening and filing of any foreclosure action for CITY imposed surface water management service charges shall be responsibility of the CITY and the CITY shall bear the cost thereof, including any legal service charges. The County will provide a quarterly report on the number and identity of accounts that have not made payment within the required time period. Said report will be submitted to the CITY within fifteen (15) days after the close of the quarter.

SECTION 9. CITY SHALL MANAGE ITS SERVICE CHARGE CREDIT PROGRAM (ON-SITE MITIGATION). The CITY shall be responsible for establishing and managing its own program for granting credit to properties within the incorporated area that install on-site mitigation measures to handle surface water from individual properties. The establishment of such a program shall be at the discretion of the CITY and the COUNTY's own program shall not apply to properties within the incorporated area. Said program will outline who within the CITY shall be responsible for managing the program and will detail the procedure for the granting of such a credit. The CITY will coordinate with the COUNTY to ensure that the CITY's program is compatible with the COUNTY's billing system.

As of the date of passage of CITY Ordinance No. 57, properties in the incorporated area are now subject to the CITY's surface water management charges. Those properties within the incorporated area who applied for and were granted a service charge credit from the COUNTY for 1996, will retain such a credit for 1996 only. For 1997 and beyond, properties seeking credit shall apply with the CITY for credit if such a program exists.

SECTION 10 TERM OF THE AGREEMENT. This agreement shall have a term of one year commencing on January 1, 1996 and terminating at midnight, December 31, 1996. This agreement shall automatically renew at one year increments beginning January 1 and ending midnight, December 31, unless terminated by giving ninety (90) days notice to the other party.

SECTION 11. INDEMNIFICATION AND DEFENSE. The COUNTY shall defend, indemnify and save harmless the CITY, its officers, employees and agents from any and all costs, claims, judgments, or awards of damages, resulting from the acts or omissions of the COUNTY, its officers, employees, or agents associated with this agreement. 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, regulations, resolutions, customs, policies, or practices. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such CITY ordinance, rule, regulation, resolution, custom, policy or practice 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 service charges.

The CITY shall defend, indemnify and save harmless the COUNTY, its officers, employees and agents from any and all costs, claims, judgments or awards of damages, resulting from the acts or omissions of the CITY, its officers, employees or agents associated with this agreement. 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, regulations, resolutions, customs, policies, or practices. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such COUNTY ordinance, rule, regulation, resolution, custom, policy or practice 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 service charges.

SECTION 12. NO THIRD-PARTY BENEFICIARY. The COUNTY does not intend by this agreement to assume any contractual obligations to anyone other than the CITY, and the CITY does not intend by this agreement to assume any contractual obligations to anyone other than the COUNTY. The COUNTY and the CITY do not intend that there be any third-party beneficiary to this agreement.

SECTION 13. INSURANCE COVERAGE. The CITY shall maintain at all times during the course of this agreement a general liability insurance policy or other comparable coverage with a self-insured retention of no more than \$500,000.00 and a policy limit of no less than \$5,000,000.00 dollars.

SECTION 14. NON-DISCRIMINATION. The COUNTY and the CITY certify that they are Equal Opportunity Employers.

SECTION 15. ASSIGNMENT. Neither the COUNTY nor the CITY shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder

without the prior written consent of the other Party.

SECTION 16. NOTICE. Any formal notice or communication to be given by the COUNTY to the CITY under this agreement shall be deemed properly given if delivered, or if mailed postage prepaid and addressed to:

CITY OF UNIVERSITY PLACE
P.O. Box 64289
University Place, Washington 98466

Attention: City Manager

Any formal notice or communication to be given by the CITY to the COUNTY under this agreement shall be deemed properly given if delivered, or if mailed postage prepaid and addressed to:

PIERCE COUNTY
Pierce County Executive's Office
930 Tacoma Avenue South, Room 737
Tacoma, Washington 98402-2100

Attention: Executive Director of Operations

The name and address to which notices and communications shall be directed may be changed at any time, and from time to time, by either the CITY or the COUNTY giving notice thereof to the other as herein provided.

SECTION 17. COUNTY AS INDEPENDENT CONTRACTOR. COUNTY is, and shall at all time be deemed to be, an independent contractor. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between CITY and COUNTY or any of the COUNTY's agents or employees. The COUNTY shall retain all authority for rendition of services, standards of performance, control of personnel, and other matters incident to the performance of services by COUNTY pursuant to this Agreement.

Nothing in this agreement shall make any employee of the CITY a COUNTY employee or any employee of the COUNTY a CITY employee for any purpose, including, but not limited to, for withholding of taxes, payment of benefits, worker's compensation pursuant to Title 51 RCW, or any other rights or privileges accorded COUNTY or CITY employees by virtue of their employment.

SECTION 18. WAIVER. No waiver by either party of any term or condition of this Agreement shall be deemed or construed to constitute a waiver of any other term or condition or

of any subsequent breach, whether of the same or a different provision of this agreement.

SECTION 19. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement and no prior agreements shall be effective for any purpose.

SECTION 20. AMENDMENT. Provisions within this agreement may be amended with the mutual consent of the parties hereto. No additions to, or alternation of, the terms of this agreement shall be valid unless made in writing, formally approved and executed by duly authorized agents of both parties.

SECTION 21. NO REAL PROPERTY ACQUISITION OR JOINT FINANCING. This Interlocal Agreement does not provide for the acquisition, holding or disposal of real property. Nor does this Agreement contemplate the financing of any joint or cooperative undertaking. There shall be no budget maintained for any joint or cooperative undertaking pursuant to this Interlocal Agreement.


SECTION 22. FILING. Copies of this Interlocal Agreement, together with the resolution of the Pierce County Council and the University Place City Council approving and ratifying this agreement, shall be filed with the University Place City Clerk, the Pierce County Auditor, and the Secretary of State of Washington after execution of the agreement by both parties.

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SECTION 23. SEVERABILITY. If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect.

IN WITNESS WHERE OF, the parties have caused this agreement to be executed on the day and year the last signature hereto is affixed.

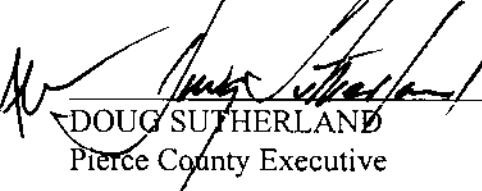
UNIVERSITY PLACE

 11/11/96
ROBERT W. JEAN Date
University Place City Manager

Approved as to Form:

 2-2-96
ROBERT BACKSTEIN Date
University Place City Attorney

PIERCE COUNTY

 1/18/96
DOUG SUTHERLAND Date
Pierce County Executive

Approved as to Form:

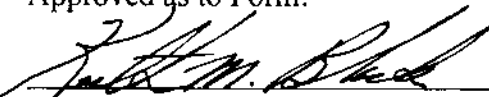
 1/16/96
KEITH M. BLACK Date
Chief Civil Deputy Prosecuting Attorney

EXHIBIT "A"

TO INTERLOCAL AGREEMENT BETWEEN PIERCE COUNTY AND
THE CITY OF UNIVERSITY PLACE REGARDING SURFACE WATER
MANAGEMENT SERVICE CHARGES COLLECTED BY PIERCE COUNTY
DURING 1995 AND FOR SURFACE WATER MANAGEMENT BILLING SERVICES

CITY OF UNIVERSITY PLACE - BOUNDARY LEGAL DESCRIPTION
(Revised October 16, 1995)

That portion of the southwest 1/4 section of Section 4, Township 20 North, Range 2 East of the W.M., lying West of the center line of Day Island Waterway extended North to the Outer Harbor Line (Day Island), and all of Sections 9, 10, 11, 14, 15, 16, 17, 20, 21, 22, 23, Township 20 North, Range 2 East of the W.M.;

EXCEPT those portions of the above Sections lying within the present city limits of the Town of Fircrest and the City of Tacoma as they existed on September 14, 1993.

EXCEPT those portions of unincorporated Pierce County within the proposed urban growth area of the City of Fircrest in Sections 10, 11, 14, and 15, Township 20 North, Range 2 East W.M., shall be excluded as follows:

That portion of Sections 10, 11, 14, and 15, Township 20 North, Range 2 East, W.M., lying east of the West right -of-way line of 67th Avenue West/Mildred Street West (formerly known as Anderson Pierce County Road) and north of the South right-of-way line of 44th Street West, and north of the east-west centerline of the Southeast Quarter of Section 14, Township 20 North, Range 2 East, lying east of the East right-of-way line of Alameda Avenue West.

AND

That portion of Sections 26, 27, 28, 29, Township 20 North, Range 2 East of the W.M., lying Northerly of the following described line:

Beginning at the intersection of the center line of Chambers Creek and the East Shoreline of Puget Sound to Section 29, thence upstream and Easterly along said center line of Chambers Creek to intersect the center line of Leach Creek; thence upstream, Easterly and Northerly along the center line of Leach Creek to the North line of said Section 26; thence East along said North line to the Westerly end of the right-of-way of 64th Street West; thence South to the South line of said right-of-way; thence east along the south line of 64th Street West to the East line of said Section 26 and termination of said line,

EXCEPT that portion of said Section 29, lying within the limits of the Town of Steilacoom as they existed on September 14, 1993.

EXCEPT those portions of Meadow Park Golf Course north of the centerline of Leach Creek in Sections 23 and 26 of Township 20 North, Range 2 East, annexed to the City of Tacoma by Ordinance 25605.

INCLUDING a portion of the Northwest Quarter of Section 26, Township 20 North, Range 2 East of the Willamette Meridian and more particularly described as follows:

Commencing at the Northeast corner of said subdivision thence North $89^{\circ}07,50''$ West along the North line of said subdivision for a distance of 530.00 ft. to the point of beginning, thence continuing along said North line North $89^{\circ}07,50''$ West for a distance of 381.24 ft. thence South $09^{\circ}46,15''$ East for a Distance of 72.55 ft. thence South $65^{\circ}10,56''$ East for a Distance of 156.80 ft. thence North $81^{\circ}50,23''$ East for a distance of 58.99 ft. thence North $64^{\circ}53,30''$ East for a distance of 184.21 ft. thence North $01^{\circ}44,20''$ East for a distance of 45.0 ft. to the point of beginning.

AND

EXCEPT those portions of Sections 4, 9, 16, 17, 20, 29, lying West of the Outer Harbor line.

Situated in Pierce County, Washington.

EXHIBIT "B"
**TO INTERLOCAL AGREEMENT BETWEEN PIERCE COUNTY AND
THE CITY OF UNIVERSITY PLACE REGARDING SURFACE WATER
MANAGEMENT SERVICE CHARGES COLLECTED BY PIERCE COUNTY
DURING 1995 AND FOR SURFACE WATER MANAGEMENT BILLING SERVICES**

**FORMULA FOR CALCULATING TOTAL SURFACE WATER MANAGEMENT
SERVICE CHARGES TO BE TRANSFERRED TO THE CITY.**

\$160,878	which represents one-third (1/3) of the 1995 surface water management billings, excluding road parcels
- 6,600	which represents the cost of the billing/collection and maintenance
- 3,218	which represents a two percent (2%) write-off for uncollectible surface water management service charges
\$151,060	Total to be remitted to the CITY.