



King County
Department of
Natural Resources and Parks
Director's Office
King Street Center
201 S Jackson St, Suite 700
Seattle, WA 98104-3855

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CLERK
KING COUNTY COUNCIL

December 17, 2012

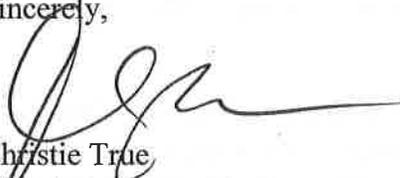
Anne Noris
King County Council
Room 1200
COURTHOUSE

Dear Ms. Noris:

Attached is a fully executed original of the Interlocal Agreement (ILA) between King County and the King Conservation District relating to Natural Resource Conservation as required in Section 6 of Ordinance 17474. With the filing of the attached ILA with the clerk of the council the required deadline of December 31, 2012, has been met.

If you have any questions or concerns regarding the ILA, contact me at 206-296-6500 or by email at christie.true@kingcounty.gov.

Sincerely,



Christie True
Director

Enclosure

Electronic copies:

Joe Woods, Deputy Chief of Staff, King County Executive Office
Mike Huddleston, Municipal Relations Director, King County Council
Joanna Richey, Assistant Division Director, Water and Land Resources
Division (WLRD), Department of Natural Resources and Parks (DNRP)
Joan Lee, Manager, Rural & Regional Services Section, WLRD, DNRP
Grover Cleveland, Council Relations, Director's Office, DNRP

**INTERLOCAL AGREEMENT BETWEEN
KING COUNTY AND THE KING CONSERVATION DISTRICT
RELATING TO NATURAL RESOURCE CONSERVATION**

THIS AGREEMENT is entered into by and between King County, a Washington municipal corporation (hereinafter referred to as the “County”), and the King Conservation District, a governmental subdivision of the state of Washington organized under Chapter 89.08 RCW (hereinafter referred to as the “District”).

RECITALS

WHEREAS, pursuant to Chapter 39.34 RCW (Interlocal Cooperation Act) and RCW 89.08.341, the County and the District are authorized to enter into this Agreement for the purpose of engaging in cooperative efforts to promote, facilitate and undertake programs and activities relating to the conservation of natural resources; and

WHEREAS, the District was established in 1949 pursuant to Chapter 89.08 RCW with the purpose and authority to undertake programs and activities to protect and conserve natural resources throughout King County; and

WHEREAS, since its inception the District has developed an expertise in the management of soil, water and natural resources to protect and conserve the environment and local economies and the District has earned a reputation among landowners as an organization that understands and appreciates their needs; and

WHEREAS, the District's relationship with the Natural Resources Conservation Service of the United States Department of Agriculture and other federal and state agencies strengthens its ability to preserve and protect natural resources in King County through access to federal and state funded programs; and

WHEREAS, the District is authorized to plan and administer activities that affect the best use and conservation of renewable natural resources in such areas as farming, forestry, watershed stabilization and prevention and reduction of erosion and stormwater, protection of fish and wildlife, prevention and reduction of pollution to surface waters and habitat restoration, and to work in coordination with local agencies to avoid duplication of effort; and

WHEREAS, the County has an interest in protecting the quality of its soils and water to enhance human health and the health of its watersheds including aquatic and riparian habitats, and is obligated under its National Pollution Discharge Elimination System permit to do so; and

WHEREAS, RCW 89.08.405 authorizes the County’s legislative authority to approve by resolution revenues to the District by fixing a system of rates and charges to fund District activities and programs to conserve natural resources; and

WHEREAS, the County's Zoning Code provides for King County landowners to work with the District to bring agricultural practices into compliance with water quality and critical area standards and to assist farmers in developing farm plans that promote flexibility for water way buffer areas, and soil and water resource conservation practices; and

WHEREAS, the County has a variety of programs and regulations that relate to farm practices and the preservation of natural resources that are best implemented in cooperation and coordination with the District; and

WHEREAS, RCW 89.08.070(8) encourages the District and the County to coordinate efforts on planning programs and activities and to avoid duplicative efforts; and

WHEREAS, RCW 89.08.220(1) authorizes the District to conduct surveys, investigations and research that relate to the conservation of renewable natural resources and the preventative and control measures and works of improvement, provided that, in order to avoid duplication of research activities, any such research shall be done in cooperation with other governments and agencies of the state and the United States; and

WHEREAS, RCW 89.08.220(4) authorizes the District to cooperate and enter into agreements with, and within the limits of appropriations made available to it, to furnish financial or other aid to any agency, government or otherwise, or any occupier of land within the District in the carrying on of preventative and control measures and works of improvement for the conservation of renewable natural resources within the District, subject to such such conditions that the District's Board of Supervisors may deem necessary to advance the purposes of chapter 89.08 RCW; and

WHEREAS, municipal and county governments and other stakeholders have invested major efforts in completing salmon habitat conservation plans through the mechanism of Water Resource Inventory Area (WRIA) planning processes authorized by the Washington Salmon Recovery Act, Chapter 77.85 RCW, and these planning processes have been coordinated by the WRIA 8 Forum, the WRIA 9 Forum, and the Snoqualmie Watershed Forum, which are composed of local jurisdictions and stakeholders that have joined themselves under interlocal agreements to promote salmon recovery in the WRIA 8 and 9 and Snoqualmie watershed areas; and

WHEREAS, the District has historically been instrumental in the development of the WRIA 8, WRIA 9 and the Snoqualmie Watershed salmon habitat conservation plans by providing annual funding resources to the WRIA forums through a grants program that has helped the member jurisdictions successfully complete such plans and implement early actions and projects that were consistent with the developing plans; and

WHEREAS, alternative funding sources, other than through the District, are now available to the County and other member jurisdictions to continue the water quality and water resource and habitat restoration and management projects and activities associated with the WRIA plans and the District and County believe the alternative funding sources are more suitable for continued funding of these efforts; and

WHEREAS, the District has helped to fund, on an annual basis, critical natural resource conservation programs and activities of its member jurisdictions; and

WHEREAS, the County, as a member jurisdiction, has historically received annual funding from the District for programs related to regional agriculture and seeks to continue to receive such support; and

WHEREAS, the District, while no longer funding grants on its former scale to implement the WRIA watershed plans, still provides benefits to such plans by working with private landowners on a voluntary basis to educate and support the voluntary implementation of Best Management Practices (BMPs) on private lands; and

WHEREAS, such programmatic efforts are known to be critical to the success of natural resource conservation programs and are congruent with the District's mission and statutory mandate; and

WHEREAS, the County and the District continue to share a mutual goal of providing a stable and predictable source of funding for the District's conservation programs, and the member jurisdictions' natural resource conservation programs and activities that are consistent with the District's statutory purposes, so that the District, the County, and member jurisdictions, the watershed forums and other stakeholders can implement long-range plans for natural resource conservation; and

WHEREAS, pursuant to RCW 89.08.405 the County has been given the authority to impose a system of rates and charges on lands within the District for a period or periods each not to exceed ten years in duration to fund the District's conservation programs and activities; and

WHEREAS, pursuant to RCW 89.08.400 and .405 the District is required on or before the first day of August in the year prior to which the District is proposing the system of rates and charges be imposed to file with the County a proposed system of rates and charges, indicating the years during which the District proposes that such a system of rates and charges be imposed; along with a proposed budget for the District's program of work for the succeeding year; and

WHEREAS, pursuant to RCW 89.08.405, in proposing a system of rates and charges to the County, the District may consider: (a) services furnished, to be furnished, or available to the landowner; (b) benefits received, to be received, or available to the property; (c) the character and use of land; (d) the nonprofit public benefit status, as defined in RCW 24.03.490, of the land user; (e) the income level of persons served or provided benefits under this chapter, including senior citizens and disabled persons; or (f) any other matters that present a reasonable difference as a ground for distinction; and

WHEREAS, over the past three assessment funding cycles implemented since 2006, the District has been faced with increasing costs and expenses associated with developing, implementing and delivering its conservation programs and activities, and static levels of funding under chapter 89.08 RCW, while at the same time experiencing a reduction in the availability of grant funding from other state and/or federal agencies, which conditions have

significantly impacted the District's ability to maintain its conservation programs and services at a consistent level and to otherwise meet the demand for the District's services; and

WHEREAS, pursuant to RCW 89.08.405, in fixing rates and charges, the County may in its discretion consider the information proposed to the County by the District in a manner that is consistent with RCW 89.08.405; and

WHEREAS, in order for the County to adopt a system of rates and charges under RCW 89.08.400 and .405 for the benefit of the District's conservation programs and activities, the County must find that the public interest will be served by the imposition of the system of rates and charges through implementation of the District's conservation programs and activities, which determination may include a finding that the rates and charges to be imposed on any land will provide burden offsets, and direct or indirect benefits; and

WHEREAS, the County and the District desire to work cooperatively on natural resource conservation efforts, including projects and activities to conserve soils, to improve the quality of water in the County, to protect natural resources, and to assist landowners in King County to comply with laws and regulations that protect the quality of the County's soil, water, and resources; and

WHEREAS, pursuant to RCW 89.08.341, the District has a responsibility to keep local agencies fully informed about the status and progress of their resource conservation programs and plans; and

WHEREAS, the County plans to fulfill its responsibility related to authorizing rates and charges under RCW 89.08.400 and .405 in part by reviewing annually the District's program of work approved by the District to ensure that the conservation programs and activities to be funded each year by rates and charges will make available to landowners and parcels sufficient services and benefits, including but not limited to the offset of burdens caused by the use of lands; and

WHEREAS, the County acknowledges that the District has historically prepared its programs of work and associated budgets on an annual basis and that the District needs to retain the right to prepare annually its programs of work and associated budgets so that they may be based on current information and circumstances and, further, so that the District can maintain some flexibility to address new or emerging conservation needs and requirements which may vary from year to year and which may impact the District's programs of work and associated budgets; and

WHEREAS, this Agreement provides for cooperative efforts on the part of the County and the District to fund the District's conservation programs and activities, and to promote and fulfill the legislative declaration and determinations contained in RCW 89.08.010;

WHEREAS, in fixing the system of rates and charges proposed by the District, the King County council has authorized the use of such revenues by the District to protect and preserve

renewable natural resources, thereby promoting the health, safety and general welfare of the people and properties within the District.

NOW, THEREFORE, in consideration of the mutual promises, benefits and covenants contained herein, the parties hereto agree as follows:

I. PURPOSE OF THE AGREEMENT:

A. The recitals set forth above are incorporated herein by this reference.

B. The purpose of this Agreement is to establish the roles and responsibilities of the County and the District with respect to the authorization of, and use of funds from, a system of rates and charges fixed by the County under RCW 89.08.405 to fund the District's conservation programs and activities. Except as provided for in Section III.A.3 below, the terms of this Agreement do not govern or otherwise restrict the District in any manner relating to any funds that the District has or will receive from sources other than the revenues received from the system of rates and charges imposed by the County pursuant to RCW 89.08.405.

II. DEFINITIONS:

A. "Program of Work" means a detailed statement or description of the conservation programs and activities to be undertaken by the District for a particular calendar year using a system of rates and charges authorized and imposed by the County for the benefit of the District pursuant to RCW 89.08.400 and .405. A Program of Work will include a budget, broken out by major activities, identifying the anticipated expenditure of the rates and charges for the District's conservation programs and activities described in the Program of Work. A Program of Work for each of the years subject to this Agreement shall be submitted to the King County Council by the District on or before August 1 of each year for the following year's activities and programs.

B. "Advisory Committee" means a committee consisting of representatives of the District and key stakeholder groups, including representatives of the County, member jurisdictions and other interested parties, that will be asked by the District to review and make recommendations to the Board of Supervisors on the District's Programs of Work during the term of the system of rates and charges. The intended purpose of the Advisory Committee will be to foster a greater understanding of the programs and services provided by the District, and to identify conservation programs that may be undertaken by the District through the use of funds derived through the District's approved system of rates and charges. The District shall constitute the Advisory Committee in a manner that reflects the District's commitment to private landowners and to programmatic efforts, while including financial and scientific expertise from the County and with a number of representatives from the incorporated member jurisdictions. Such representation should include at a minimum representatives from the cities of Seattle, Bellevue and the King County Suburban Cities Association. The District will solicit input from the County as to the County's recommendations relating to which other participants the County believes would be appropriate to include on the Advisory Committee; and the District will solicit input from the cities of Seattle and Bellevue, and the King County Suburban Cities Association as to the recommendations relating to which other participants would be appropriate to include

on the Advisory Committee representing the member jurisdictions. The District anticipates that the Committee would meet three times per year, or more often as may be deemed necessary and appropriate by the District. The Committee may advise the District on recommendations for any modifications to the District's protocols and procedures for applying for and receiving member jurisdiction grants. The Committee is an advisory body with the power to make recommendations to the District; however, such recommendations are not binding on the District. Participants on the Advisory Committee are expected to regularly participate in Advisory Committee meetings and associated activities. Given the time, effort and expense associated with maintaining and facilitating the existence of an Advisory Committee, the District may suspend regular meetings of the Advisory Committee if upon polling members there is a lack of interest or participation by the members of the Advisory Committee, or an absence of issues suitable for referral to the Advisory Committee for review and input. Notwithstanding anything to the contrary herein, the task force described in Section III.B.5 below may, during the tenure of its existence, meet and function in lieu of the Advisory Committee.

C. "Rates and Charges Budget" means a budget, broken out by major activities, that describes the District's projected expenditure of the rates and charges for the District's programs, and activities for a calendar year subject to this Agreement.

III. RESPONSIBILITIES OF THE PARTIES:

A. THE DISTRICT

1. Cooperation with the County: The District agrees that it will cooperate with the County by performing certain services or responsibilities that (a) have been properly defined and formally accepted by the District, (b) are consistent with the requirements of Chapter 89.08 RCW, and (c) are adequately funded through a King County Council approved system of rates and charges of which funds are designated for such activities and approved by the District, or through other funding sources provided by the County or third parties. The District agrees that these three standards set forth in (a), (b), and (c) above are met for the services described in subsections (a) through (h) below. The District further agrees that the provision of such services shall include:

a. Working with the County in performing specific natural resource conservation functions as identified in the King County Code Titles 2, 9, 16 and 21A, including continuation of collaborative work with King County and rural property owners for natural resource conservation, landowner assistance and farm planning, particularly as provided for in Title 21A. The funding authorized pursuant to this Agreement will be adequate to complete approximately 70-75 farm plans per year. The District and the County agree to discuss additional funding sources for the District to complete farm plans in the event that the requests for farm plans exceeds the stated levels. The District shall not be required to prepare farm plans that are above the stated levels without receiving additional funding for that purpose from sources other than the rates and charges provided for herein; and

b. Working with the County and other stakeholders to develop a system of rates and charges in the future that will fund District work programs at a level reflective of natural

resource conservation and preservation needs; and

c. Working with the County as well as with the Washington State Conservation Commission and the Washington Association of Conservation Districts to produce an electoral process for District supervisors that is more reflective of voter participation in other County general elections; and

d. Responding to citizen requests for natural resource conservation assistance from landowners within District boundaries; and

e. Convening an Advisory Committee to assist the District in the development of its annual Program of Work and to facilitate the purposes of the Advisory Committee in accordance with Section II.B; and

f. Providing annual reports, at the time of submittal of the annual Program of Work, to the King County Council and Executive detailing work completed the prior year; and

g. Administering grant programs with the member jurisdictions, as provided for herein, in an efficient and timely manner; and

h. Implementing the District's Rates and Charges Budget in accordance with Exhibit A, attached hereto and incorporated herein by this reference.

2. Other District Services: The District agrees to make a good faith effort to assist agencies of the County where the District's expertise may be of use in performing other conservation programs or activities of public interest such as the Agricultural Commission, farmland preservation, Agricultural Drainage Assistance Program (ADAP), water quality cost-share, agriculture economic development policy, small farm support, and general farm marketing support, including but not limited to Puget Sound Fresh, to the extent such programs and activities are consistent with chapter 89.08 RCW and as District staffing and resources allow.

3. Program of Work, and Rates and Charges Budget: Pursuant to RCW 89.08.405, the District adopted and submitted to the County a proposed a system of rates and charges for the period 2013 – 2017 on July 31, 2012, which proposal included a Rates and Charges Budget for 2013. After a hearing before the County Council on the District's proposed system of rates and charges, the County modified and accepted the District's proposed system of rates and charges resulting in a reduction of the rates and charges to be imposed on certain land categories identified by the District and a corresponding reduction in the total amount of funds to be raised through the system of rates and charges. The period over which the system of rates and charges was to be imposed was also reduced from the proposed five years to two years. As a result of the County's modification of the rates and charges proposed by the District, the District will be required to prepare and adopt a revised Program of Work and associated budget which takes into consideration the total amount of funds anticipated to be raised through the system of rates and charges approved by the County.

The District agrees to adopt a Rates and Charges Budget for 2013 that is consistent with Exhibit A, and to adopt a Work Program and Rates and Charges Budget for Year 2014 that are consistent with Exhibit A. The District agrees that its detailed Program of Work and Rates and Charges Budget for 2013 will be submitted to the County Council and Executive for review by no later than December 7, 2012. The District agrees that it will spend funds collected through the system of rates and charges imposed by the County in a manner which is consistent with its finally adopted Program of Work and Rates and Charges Budget as finally submitted to the County and that no such funds will be spent for activities that are not specified in the annual Program of Work and Rates and Charges Budget.

The District agrees to use any funds collected by or for the benefit of the District in connection with a previously adopted system of assessment in accordance with the terms of the applicable interlocal agreements entered into between the District and the County.

4. Member Jurisdiction Grants & Services Program: During the term of this Agreement, the District will fund and administer a grant program in partnership with member jurisdictions in accordance with the attached Rates and Charges Budget set forth in Exhibit A. The District's jurisdictional grant program will fund projects and programs within a given jurisdiction upon an application being submitted by the local jurisdiction to the District for the District's review and approval on the basis of consistency with the District's adopted grant policies and the District's statutory purposes. Member jurisdiction grants shall be submitted in accordance with the District's grant policies and procedures. Each member jurisdiction shall be eligible to apply for and receive grant funds in 2013 and 2014, or, at the jurisdiction's option, services in lieu of grant funds, in accordance with Exhibit A. In the event that a jurisdiction has not used its funds within three (3) years following the date such rates and charges were collected by the District and available for award, after 180-days' prior written notice from District to the jurisdiction, the District may reallocate the unused funds to other District programs. In the interests of efficiency and obtaining the maximum benefits from these grant funds, the District is willing to allow two or more local jurisdictions to pool resources in any one year for projects consistent with the District's statutory purposes and the District's adopted grant policies and procedure, and to fund such projects on a rotating basis within the group of local jurisdictions participating in the pooling arrangement. The District will establish policies and procedures that provide for the pooling of grant funds and will solicit input from member jurisdictions prior to adopting the policies and procedures.

5. Other District Programs: The District will fund its remaining programs and activities in accordance with the Rates and Charges Budget set forth in Exhibit A.

6. Service to Incorporated Areas: The District's Programs of Work will include services to be provided to incorporated areas within the County, for which the District may enter into separate agreements with other local governments.

7. Annual Reports: The District shall provide annual reports including specific performance measures for completed work program activities to the King County Council and Executive at the time of submittal of the annual Work Program detailing work completed in the prior year. The annual report shall be filed with the clerk of the council for distribution to the

chair of the physical environment committee, or its successor committee, to the Executive, to each councilmember and to the lead staff for the natural resources and utilities committee, or its successor committee. The annual reports shall describe progress achieved towards work plan goals in terms of performance measures and report any barriers towards achieving work plan goals. Specifically, the reports should address the completion of farm plans, dairy nutrient management planning, landowner conservation services and administration and finance operations of the District.

B. THE COUNTY

1. Approval of System of Rates and Charges: The County has approved a system of rates and charges for a two (2) year period for the benefit of the District in accordance with the requirements of RCW 89.08.400 and .405, to fund the District's conservation programs and activities as described in the Rates and Charges Budget attached as Exhibit A.

2. Review of Programs of Work and System of Rates and Charges: The rates and charges for the remaining years beyond the first year of any multi-year approval of rates and charges may be modified or repealed by the County if the County determines that the public interest is not being served by the work program activities funded by rates and charges, which determination may include a finding that the activities do not provide an adequate amount of burden offsets, or direct or indirect benefits sufficient to warrant the continuation of the system of rates or charges.

3. Authorized Collection Fees: The King County Treasurer is authorized to deduct one percent of the funds collected, exclusive of any credits that may be provided as a result of the settlement in the Hammond litigation, under the system of rates and charges approved by the County, to cover the costs incurred by the County Treasurer and County Assessor in spreading and collecting the rates and charges; provided, however, that any portion of such amount in excess of the actual costs of such work shall be transferred to the District to be used at the discretion of the District.

4. Cooperation and Collaboration with the District: The County, at the invitation of the District, will assist the District in the development and implementation of a collaborative Program of Work. Input from the Advisory Committee will also inform this process. Any agency of the County that has expertise, which may be of use to the District, will make a good faith effort to assist the District, as requested and as resources allow. The Director of the Department of Natural Resources and Parks shall constitute the ongoing point of contact to promote periodic communications with the District. The District and the County will work to establish a process that will provide for communications and discussions between the District Board of Supervisors and the County Council. Further, the County and the District desire to work together in collaboration, and the parties recognize that they each may have ongoing research programs, which may be of benefit to each other. The District agrees, in order to avoid duplication of research activities, that before undertaking any research project, it will consult with the County. In the event that the research project is determined by the District and the County to be duplicative, then it shall not be undertaken by the District through the use of funds derived from the system of rates and charges. If the parties cannot agree on this issue, each shall

appoint a representative and the two appointed representatives shall jointly choose a third. The three individuals shall resolve the dispute by majority vote and the decision of this group shall be final.

In the event that the County considers adopting new regulations or policies, or creating new departments or committees, that relate to or impact services for agriculture and rural land conservation, as provided by the District in Section III.A.1.a of this Agreement, the County point of contact with the District will make reasonable efforts to keep the District informed of such developments and encourage input from the District relating to such activities.

5. Creation of Task Force: The King Conservation District and King County shall jointly convene a multi-jurisdictional task force to investigate the availability of conservation and natural resource programs and services in King County, the needs within the County, both met and unmet for such services and programs, and the actual and prospective sources of funding to meet such needs. The primary focus of such investigation shall be on the types of activities and programs authorized by the Conservation District Statute, Chapter 89.08 RCW. The task force shall include two representatives from King County, one appointed by the chair of the council and one by the executive. The King Conservation District Board of Supervisors shall appoint two representatives. The King Conservation District and King County representatives shall lead the task force and seek advice from the following additional members: one representative to be selected by the City of Seattle, one representative by the City of Bellevue, three representatives by the Suburban Cities Association (one from each of the three geographic areas of north, south and east King County) and three members representing rural landowners, who shall be jointly appointed by the King County and King Conservation District representatives. These twelve representatives shall constitute the task force. The task force is intended to research and provide, by means of consensus, factual information and policy advice regarding natural resource and conservation programs provided in the region, including but not limited to: inventory list of available services; identified program needs; an evaluation of service and service levels provided and number of persons served; identification of available funding sources; issues relating to governance, service availability and equity; opportunities for synergy and leveraging of funds; review of the conservation district rates and charges methodology; program costs and administration; and other issues as may be identified by the task force. Commentary and recommendations from standing advisory groups relating to agricultural, silvacultural, community and environmental issues shall be solicited and considered. Staff support to the task force shall be provided, as available within current resources, by the King Conservation District, King County and as offered by other task force participants. The task force work and recommendations shall be completed and provided to the District and County to inform mutually agreeable funding decisions for future district work programs and budgets as soon as possible and preferably by October 15, 2013 if possible, but in any event no later than December 31, 2013.

IV. MAINTENANCE OF RECORDS:

A. The parties agree to maintain accounts and records, including personnel, property, financial and programmatic records and other such records as may be deemed necessary by either party to ensure proper accounting for all funds expended from the District's system of rates

and charges. All such records shall sufficiently and properly reflect all direct and indirect costs of any nature expended and services provided under this Agreement.

B. Records shall be maintained for a period of six (6) years after termination hereof unless permission to destroy them is granted by the Office of the Archivist in accordance with Chapter 40.14 RCW, or unless a longer retention period is required by law.

V. AUDITS AND EVALUATION:

A. To the extent permitted by law, the records and documents of the parties hereto with respect to all matters covered by this Agreement shall be subject to inspection, review, or audit by the other party during the performance of this Agreement and for six (6) years after termination hereof.

B. The parties will cooperate with each other in order to review and evaluate the procedures used to authorize the system of rates and charges and the services provided under this Agreement. The parties will make available to each other all information reasonably required by any such review and evaluation process. Provided, however, each party may require the other party to submit a formal request for information in accordance with applicable internal policies or law.

VI. EFFECTIVENESS, TERMINATION, AND RETENTION OF FUNDS:

A. This Agreement shall become effective upon its signature by both the County and the District, and shall terminate on December 31, 2014, unless it is terminated at an earlier date pursuant to Section VI B. of this Agreement.

B. This Agreement also shall terminate if:

(1) The County repeals the District's system of rates and charges in accordance with Section III.B.2, or

(2) The District requests that the County repeal its system of rates and charges.

Notwithstanding any of these actions, any funds collected by or for the benefit of the District based on a previously adopted system of rates or charges will be used by the District in accordance with the previously submitted Programs of Work.

C. In the event that a legal action is brought challenging the validity of the system of rates and charges, and the County and District determine that such challenge warrants placing some or all of then currently held District funds in a special escrow account to be held by the District pending further legal action, the District agrees to place such amount of funds into the special escrow account until the County and District mutually agree on their release and use.

VII. NONDISCRIMINATION:

Each party shall comply fully with applicable federal, state and local laws, ordinances, executive orders and regulations, which prohibit discrimination. These laws include, but are not limited to, Chapter 49.60 RCW, Titles VI and VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Executive Order 11246 issued by the President of the United States and Executive Order 2001-R issued by the King County Executive.

VIII. DEFENSE AND INDEMNIFICATION:

The District agrees to defend, indemnify and hold harmless the County, its elected officials, employees and agents, its appointed and elective officers and employees, from and against all loss or expense, including, but not limited to, judgments, settlements, attorney's fees and costs by reason of any and all claims and demands upon the County, its elected or appointed officials or employees for damages because of personal or bodily injury, including death at any time resulting there from, sustained by any person or persons and on account of damage to property including loss of use thereof, whether such injury to persons or damage to property is due to the negligence of the District, his/her subcontractors, its successor or assigns, or its or their agent, servants, or employees, the County, its appointed or elected officers, employees or their agents, except only such injury or damage as shall have been occasioned by the negligence of the County, its appointed or elected officials or employees. With respect to the performance of this Agreement and as to claims against the County, its officers, agent and employees, the District expressly waives any immunity it may have under Washington's Industrial Insurance act, RCW Title 51, for injuries to its employees and agrees that the obligations to defend, indemnify, and hold harmless provided for in this Agreement extend to any claim brought by or on behalf of any employee of the District. The parties acknowledge that these provisions were specifically negotiated and agreed upon by them. This provision shall survive termination of this Agreement.

IX. AMENDMENTS:

Amendments to the terms of this Agreement must be agreed to in writing by each party and be approved by the County Council and the District's Board of Supervisors.

X. ENTIRE CONTRACT-WAIVER OF DEFAULT:

The parties hereto agree that this Agreement is a complete expression of the terms hereto and any oral or written representations or understandings not incorporated herein are excluded. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Agreement unless stated to be such through written approval of the parties to this Agreement. Each party shall carry out its duties under this Agreement in good faith and in accordance with legal requirements.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 17th day of December, 2012.

King Conservation District

King County

William M. Krutak
Chair, Board of Supervisors

[Signature]
King County Executive

Approved as to Form:

Approved as to Form:

District Legal Counsel

[Signature]
Deputy Prosecuting Attorney

Exhibit A

RATES AND CHARGES BUDGET

King Conservation District Funding Commitment

For the time period January 1, 2013 to December 31, 2014, the King Conservation District will fund its programs, grants and services as follows:

King Conservation District Program of Work

| KCD Program of Work | Annual Budget |
|---|--|
| Education & Community Engagement | \$105,369 |
| Natural Resource Conservation Planning & Technical Assistance | \$654,666 |
| Conservation Implementation & Projects | \$1,080,687 |
| District Grants Program | \$102,728 |
| Member Jurisdiction Grants & Services Program (Subject to 5% Grant Administration Fee) | \$1,200,000 |
| Strategic & Other Initiatives | \$152,707 |
| | |
| TOTAL | For 2013 <i>estimated at \$3,296,579.*</i> |

* This total amount includes \$57,775 for year 2013 for close out of the WRIA grant program funded under previous interlocal agreements and \$45,404 for COLA increases, both amounts of which are to be allocated by the District to the appropriate categories above.

During the term of this Agreement, each member jurisdiction shall be eligible to apply for and receive grant funds, or, at the jurisdiction's option, services in lieu of grant funds, in an amount equal to its pro rata share of the \$1,200,000 based on the total number of parcels within the jurisdiction that were subject to and paid the District's system of rates and charges. These

amounts shall not be reduced by any credit or rebate provided by the District due to the settlement in the Hammond litigation, as these credit or rebate funds are available from the District's 2012 collection of special assessments.

During the term of this Agreement, the District shall have available for the District's general work programs, other than the Member Jurisdiction Grants & Services Program provided for above, the remaining amount of funds collected for the benefit of the District under the system of rates and charges, consistent with the allocations provided above.

The King County treasurer is allowed to retain an amount equal to the actual costs of collection, not to exceed 1% of total collections.

These agreed upon committed funding levels set out in this Exhibit A, depend upon consistent levels of funding from the system of rates and charges, and the current composition of member jurisdictions, or significant number of parcels, within the District at the time of this Interlocal Agreement, and are subject to adjustment based on any reductions attributed to the withdrawal of any member jurisdictions.

The District and the County agree that the funding commitments set forth herein will be reviewed and amended, as necessary, in order to address (1) new statutory requirements that the District Board of Supervisors are subject to general election laws under Title 29 RCW which would result in significant election expenses being incurred by the District, (2) new unfunded mandates or program requirements that are imposed by Federal, State, or local jurisdictions upon the District such that the District is able to demonstrate that the cost of fulfilling such mandates amount to ten percent (10%) or more of the total amount collected by the District for District programs, except for those amounts attributed to the Member Jurisdiction Grants & Services Program.