

**INTERLOCAL AGREEMENT FOR THE COLLECTION, DISTRIBUTION,
AND EXPENDITURE OF SCHOOL IMPACT FEES**

THIS AGREEMENT is entered into this 9th day of DECEMBER, 1999 by and between the City of Duvall (the "City") and the Riverview School District No. 407 (the "District").

WHEREAS, the Washington State Legislature passed the Growth Management Act of 1990 and 1991, RCW 36.70A et seq. and RCW 82.02.050-.100 et seq. (the "Act"), which authorizes the collection of impact fees on development activity to provide public school facilities to serve new development; and

WHEREAS, the Act requires that impact fees may only be collected for public facilities which are addressed by a capital facilities element of a comprehensive land use plan; and

WHEREAS, the District has prepared a capital facilities plan in compliance with the Act which has been adopted by the City of Duvall as a subelement of the of the capital facilities element of the City of Duvall Comprehensive Plan by Resolution No. 99-25; and

WHEREAS, the City of Duvall has adopted Chapter 14.26 of the Duvall Municipal Code for the assessment and collection of school impact fees upon certain new residential developments on behalf of the District; and

WHEREAS, the City of Duvall and the District enter into this Agreement pursuant to and in accordance with the State Interlocal Cooperation Act, Chapter 39.34 RCW, for the purposes of administrating and distributing the authorized impact fees.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES HEREIN, IT IS AGREED THAT:

I. GENERAL AGREEMENT:

The City of Duvall (the "City") and the Riverview School District No. 407 (the "District") agree to comply with the terms of this Agreement which govern the collection, distribution, and expenditure of school impact fees.

II. RESPONSIBILITIES OF THE DISTRICT:

The District, by and through its employees, agents, and representatives, agrees to:

- A. Annually submit to the City a six-year capital facilities plan or an update of a previously adopted plan, which meets the requirements of the Act and D.M.C.

Chapter 14.26 on or before April 1st of each year.

- B. Authorize King County, as Treasurer for the District, to establish a School Impact Fee Account into which school impact fees may be deposited.
- C. Expend impact fee revenues provided to the District under this Agreement, and all interest proceeds on such revenues, as authorized in D.M.C. Section 14.26.040.
- D. Prepare an annual report in accordance with the requirements of RCW 82.02.070 and D.M.C. Section 14.26.120(c)(3) showing the system improvements that were financed in whole or in part by impact fees and the amount of funds expended. The annual report shall be sent to the City on or before April 1st of each year for the preceding calendar year.
- E. Refund impact fees and interest earned on impact fees when a refund is required under applicable law; including but not limited to (1) when the proposed development activity does not proceed and no impact to the District has resulted, unless the District determines that it has expended or encumbered the fees in good faith prior to the application for a refund; (2) when the impact fees or interest earned on impact fees are not expended or encumbered within the time limits established by law; or (3) when the school impact fee program is terminated.
- F. Maintain all accounts and records necessary to ensure proper accounting for all impact fee funds and compliance with this Agreement, the Act, and D.M.C. Chapter 14.26.

III. RESPONSIBILITIES OF THE CITY:

The City, by and through its employees, agents, and representatives, agrees to:

- A. Timely review and take action on the District's updated Capital Facilities Plan and the District's revised impact fee schedule.
- B. Deposit promptly all impact fees collected on behalf of the District and interest earned thereon in the School Impact Fee Account in the Office of the King County Treasurer.
- C. After receipt of the District's annual report required by Section II(D) above, prepare an annual report on each impact fee account, showing the source and amount of all moneys collected, earned, or received and system improvements that were financed in whole or in part by impact fees, as required by RCW 82.02.070(1).
- D. Determine whether applicants are excluded from the application of the impact fees pursuant to D.M.C. Section 14.26.030(b), as may be amended from time to time.

IV. GENERAL TERMS:

- A. This Agreement shall become effective when executed by both parties and filed with the Secretary of State and with King County, and shall remain in effect until terminated pursuant to Section VII of this Agreement.
- B. It is recognized that amendments to this Agreement may become necessary, and such amendment shall become effective only when the parties have executed a written addendum to this Agreement.
- C. The parties acknowledge that the City is vested with the authority to impose and collect school impact fees. The parties agree that the City shall in no event be liable to the District for the payment of money in connection with the school impact fee program, with the exception of remitting to the District the impact fees collected for the District and interest earned thereon.

V. AUDIT:

- A. The District's records and documents with respect to all matters covered by this Agreement shall be subject to inspection, review, or audit by the City or appropriate state agency.
- B. The District agrees to cooperate with any monitoring or evaluation activities conducted by the City that pertain to the subject of this Agreement. The District agrees to allow the City, or appropriate state agencies and/or any of their employees, agents, or representatives, to have full access to and the right to examine during normal business hours, all of the District's records with respect to all matters covered by this Agreement. The City and/or any of its employees, agents, or representatives shall be permitted to audit, examine, and make excerpts or transcripts from such records and to make audits of all invoices, materials, payrolls, and records of matters covered by this Agreement. The City will give fifteen (15) days advance notice to the District of fiscal audits to be conducted.
- C. The results and records of said audit shall be maintained and disclosed in accordance with Chapter 42.17 RCW.

VI. HOLD HARMLESS:

- A. The District shall, at its own cost and expense, protect, defend, indemnify, and hold harmless the City, its officers, employees, and agents, from any and all costs, claims, judgments, or awards of damages, arising out of or in any way resulting