

**HIGHLINE WATER DISTRICT  
King County, Washington**

**RESOLUTION 16-8-17A**

**RESOLUTION AUTHORIZING A FRANCHISE FEE ON THE RETAIL CUSTOMERS OF THE CITY OF DES MOINES AND AN AMENDMENT TO THE HIGHLINE WATER DISTRICT CODE (HWDC) TO INCORPORATE THE FRANCHISE FEE IN THE APPLICABLE SECTION(S)**

**WHEREAS**, in late 2015, the City of Des Moines proposed a 16% utility tax on the local water and sewer districts that serve residents within the City of Des Moines; and

**WHEREAS**, the District was opposed to a utility tax; and

**WHEREAS**, the City and the District entered into a franchise agreement to create an equitable alternative for District ratepayers in lieu of imposing a utility tax, whereby the District customers would receive benefit in exchange for a franchise fee; and

**WHEREAS**, on June 23, 2016, the City of Des Moines, Washington, adopted Ordinance No. 1651, which granted the District a non-exclusive franchise to construct, maintain, operate, replace and repair a water system within public rights-of-way of the City of Des Moines, Washington; and

**WHEREAS**, on July 6, 2016, the Highline Water District Board adopted Resolution 16-7-6A, accepting the terms and conditions of the City of Des Moines Ordinance No. 1651; and

**WHEREAS**, the franchise agreement authorizes the District to pass a fee onto the retail customers within the City of Des Moines; and

**WHEREAS**, on July 6, 2016, the Highline Water District Board passed Motion 16-7-6(2) which authorizes the District to add the state B & O Tax on additional revenue required to pay the City of Des Moines Franchise fee; and

**WHEREAS**, the franchise fee effective rate (rate revenue - fire component + State B & O tax) for the District's Des Moines customers is 5.98%.

**NOW, THEREFORE, BE IT RESOLVED:**

1. The General Manager or designee is authorized to enact the franchise fee on retail customers within the City of Des Moines at an effective rate of 5.98%. The franchise fee will become effective on September 1, 2016.
2. District staff is authorized to amend the HWDC to incorporate the franchise fee in the applicable section(s) of the District Codebook.

**HIGHLINE WATER DISTRICT  
King County, Washington**

**RESOLUTION 16-8-17A**

**ADOPTED BY THE BOARD OF COMMISSIONERS** of Highline Water District, King County, Washington, at an open public meeting held this **17th** day of **August 2016**.

**BOARD OF COMMISSIONERS**

  
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**Vince Koester, President**

  
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**Daniel Johnson, Commissioner**

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**Kathleen Quong-Vermeire, Commissioner**

  
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**Todd Fultz, Secretary**

  
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**George Landon, Commissioner**

**Agenda Item No.:** 5.1  
**Agenda Date:** 8/17/16  
**Reviewed By:** M.E.

**Subject:** Resolution authorizing a franchise fee on the retail customers of the City of Des Moines and an amendment to the Highline Water District Code (HWDC) to incorporate the franchise fee in the application section(s)

CATEGORY	
<i>Executive</i>	<input type="checkbox"/>
<i>Administrative</i>	<input checked="" type="checkbox"/>
<i>Engineering/Operations</i>	<input type="checkbox"/>

FINANCIAL						
<i>Expenditures?</i>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
<i>Budgeted?</i>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>		
<i>Amount:</i>				\$ _____		

**Attachments:**

1. Resolution 16-8-17A

**Comments:**

The Highline Water District Board adopted Resolution 16-7-6A, accepting the terms and conditions of the City of Des Moines Ordinance No. 1651

The Highline Water District Board passed Motion 16-7-6(2) which authorizes the District to add the State B & O Tax on additional revenue required to pay the City of Des Moines Franchise fee.

The franchise fee effective rate (rate revenue - fire component + State B & O tax) for the District's Des Moines customers is 5.98%