

**HIGHLINE WATER DISTRICT
King County, Washington**

RESOLUTION 19-1-16A

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

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 December 11, 2018, the City of Kent, Washington, adopted Ordinance No. 4299, 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 Kent, Washington; and

WHEREAS, on December 19, 2018, the Highline Water District Board of Commissioners adopted Resolution 18-12-19D accepting the terms and conditions of the City of Kent Ordinance No. 4299; and

WHEREAS, the District shall have the right to recover the Franchise Fee from the District's ratepayers residing within the City and may identify the Franchise Fee as a separate billing item on utility customer billings; and

WHEREAS, the District is authorized to add the state B & O Tax on additional revenue required to pay the City of Kent Franchise fee; and

WHEREAS, the franchise fee effective rate (rate revenue + State B & O tax) for the District's City of Kent customers is 6.3177%.

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 Kent at an effective rate of 6.3177%. The franchise fee will become effective on April 1, 2019.
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 19-1-16A

ADOPTED BY THE BOARD OF COMMISSIONERS of Highline Water District, King County, Washington, at an open public meeting held this **16th** day of **January 2019**.

BOARD OF COMMISSIONERS

Kathleen Quong-Vermeire, President

Todd Fultz, Commissioner

George Landon, Commissioner

Vince Koester, Secretary

Daniel Johnson, Commissioner

Agenda Item No.: 5.1
Agenda Date: 01/16/19
Reviewed By: M.E.

Subject: Authorizing a franchise fee on the retail customers in the City of Kent, Washington and an amendment to the Highline Water District Code (HWDC) to incorporate the franchise fee in applicable 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 type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
<i>Budgeted?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
<i>Amount: \$</i>			<i>Not-to Exceed</i>

ATTACHMENTS:

1. Resolution 19-1-16A

COMMENTS:

On December 11, 2018, the City of Kent, Washington, adopted Ordinance No. 4299, 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 Kent, Washington.

On December 19, 2018, the Highline Water District Board of Commissioners adopted Resolution 18-12-19D accepting the terms and conditions of the City of Kent Ordinance No. 4299.

The franchise fee effective rate (rate revenue + State B & O tax) for the District's City of Kent customers is 6.3177%.

Staff recommends approval of this resolution.