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

Vince Koester, President

Todd Fultz, Secretary

Daniel Johnson, Commissioner

George Landon, Commissioner

Kathleen Quong-Vermeire, Commissioner
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)

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Amount: $ 

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%