

**HIGHLINE WATER DISTRICT
King County, Washington**

RESOLUTION 16-7-6B

**RESOLUTION AUTHORIZING THE AWWA APPROACH FOR FIRE COST ALLOCATION
RELATING TO THE FINANCIAL CHAPTER OF THE 2016 COMPREHENSIVE WATER
SYSTEM PLAN**

WHEREAS, at the January 26, 2016 Board Workshop, Angie Sanchez Virnoche, Principle, and Sergey Tarasov, Project Manager, with Financial Consulting Services Group (FCSG), gave a presentation on the financial chapter of the Draft 2016 Comprehensive Water System Plan; and

WHEREAS, FCSG presented three generally accepted methods for Fire Cost Allocation Options as follows:

- Option 1: Proportional Approach – fire upsizing is the primary cost driver
- Option 2: Incremental Approach – potable service is the primary cost driver
- Option 3: AWWA Approach – tied to AWWA cost allocation

WHEREAS, the optional methods are identified in Section 8.9 of the Draft 2016 Comprehensive Water System Plan in review by the Department of Health; and

WHEREAS, the District must select a method for determining the fire cost allocation; and

WHEREAS, District staff recommends the AWWA Approach as it creates the least impact to current retail water rates; and

WHEREAS, the District will continue to recover fire cost through retail water rates.

NOW, THEREFORE, BE IT RESOLVED:

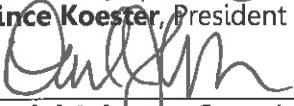
The Board selects the AWWA Approach to fire cost allocation and recovery through retail water rates.

ADOPTED BY THE BOARD OF COMMISSIONERS of Highline Water District, King County, Washington, at an open public meeting held this **6th** day of **July 2016**.

BOARD OF COMMISSIONERS



Vince Koester, President



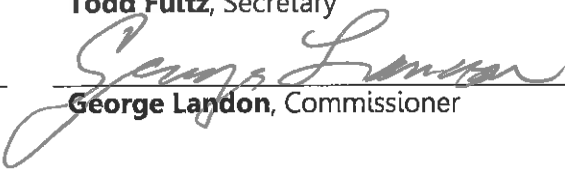
Daniel Johnson, Commissioner



Kathleen Quong-Vermeire, Commissioner



Todd Fultz, Secretary



George Landon, Commissioner



Agenda Item No.: 5.2
Agenda Date: 7/06/16
Reviewed By: M.E.

Subject: Authorize AWWA Approach for Fire Cost Allocation relating to the financial chapter of the 2016 Comprehensive Water System Plan

CATEGORY		FINANCIAL			
<i>Executive</i>	<input type="checkbox"/>	<i>Expenditures?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<i>Administrative</i>	<input type="checkbox"/>	<i>Budgeted?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<i>Engineering/Operations</i>	<input checked="" type="checkbox"/>	<i>Amount: \$</i> _____ <i>Not-to Exceed</i>			

Attachments:

1. Resolution 16-7-6B

Comments:

The District must select a method for determining the fire cost allocation.

District staff recommends the AWWA Approach as it creates the least impact to current retail water rates.