

**HIGHLINE WATER DISTRICT  
King County, Washington**

**RESOLUTION 23-5-17A**

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

**WHEREAS**, the City of Tukwila 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 April 17, 2023, the City of Tukwila, Washington, adopted Ordinance No. 2700, 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 Tukwila, Washington; and

**WHEREAS**, on May 3, 2023, the Highline Water District Board of Commissioners adopted Resolution 23-5-3C accepting the terms and conditions of the City of Tukwila Ordinance No. 2700; 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 Tukwila Franchise fee; and

**WHEREAS**, the franchise fee effective rate (rate revenue + State B & O tax) for the District's City of Tukwila 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 Tukwila at an effective rate of 5.98%. The franchise fee will become effective on July 1, 2023.
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 23-5-17A**

**ADOPTED BY THE BOARD OF COMMISSIONERS** of Highline Water District, King County, Washington, at an open public meeting held this **17th** day of **May 2023**.

**BOARD OF COMMISSIONERS**

DocuSigned by:

*Daniel Johnson*

**Daniel Johnson**, President

DocuSigned by:

*Polly Daigle*

**Polly Daigle**, Commissioner

DocuSigned by:

*Vince Koester*

**Vince Koester**, Commissioner

**Kathleen Quong-Vermeire**, Secretary

DocuSigned by:

*Todd Fultz*

**Todd Fultz**, Commissioner

**Agenda Item No.:** 5.1

**Agenda Date:** 05/17/23

**Reviewed By:** 

**Subject:** Resolution authorizing a franchise fee on the retail customers of the City of Tukwila, Washington, and amend Highline Water District code (hwdc) to incorporate the franchise fee in the applicable section(s).

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

**Attachments:**

1. Resolution 23-5-17A

**Comments:**

The City of Tukwila 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.

On April 17, 2023, the City of Tukwila, Washington, adopted Ordinance No. 2700, 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 Tukwila, Washington.

May 3, 2023, the Highline Water District Board of Commissioners adopted Resolution 23-5-3C accepting the terms and conditions of the City of Tukwila Ordinance No. 2700.

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.

The District is authorized to add the state B & O Tax on additional revenue required to pay the City of Tukwila Franchise fee. The franchise fee effective rate (rate revenue + State B & O tax) for the District's City of Tukwila customers is 5.98%

Staff recommends approval of this resolution.