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Seattle, WA 98178



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November 30, 2017

Re: Notice of New King County Right-of-way Rental Charge /Tax

Dear Citizens and Valued Customers,

If you are receiving this letter, you are likely provided water and/or sewer service by Skyway Water and Sewer District.

The elected officials and staff of Skyway Water and Sewer District work hard to keep your water and sewer utility rates as low as possible. As stewards of your utilities, we want to alert you again as we did in our May 2017 Skylines newsletter to a new King County tax, commonly referred to as a "right-of-way rental charge", which will result in an increase in what you pay for your water, sewer and other utilities located in King County right-of-way.

In November 2016, the King County Council adopted Ordinance No. 18403, initiating the establishment of a rental charge/tax on water, sewer, electric and gas utilities that use King County rights-of-way (roads and streets) to provide utility service to county residents. As one of our water or sewer customers, the water and sewer mains that serve your area are located in the King County right-of-way. That means King County could charge the District rent to use the right-of-way, and this new charge/tax must be passed through to you, the end-user, in your water or sewer rates. This new charge, which will be in addition to what you currently pay to the District for your water or sewer service, could result in your water or sewer bill increasing by an estimated \$5-\$10 per month. You will also see a similar charge/tax assessed on top of any power and gas utility bills you may receive which involve the use of King County roads and streets.

Unfortunately, when this new charge/tax was approved in late 2016, it was done with little notice to your local utility providers, such as Skyway Water and Sewer District, and without any meaningful public engagement. Skyway Water and Sewer District has concerns over the legality of this new charge/tax, and is working with other affected water and sewer utilities to challenge its imposition on our customers.

King County is presently engaged in a public rule making process, which will ultimately establish the process utilized to implement the Ordinance and will determine how much this rental charge will increase your utility bills. Skyway Water and Sewer District will be commenting to King County on this new charge/tax. We encourage you to become informed and take an interest in this issue, which will affect what you pay for the basic utilities you rely on. Additional background information and a comment form accompany this letter. As you know, governmental fees and charges rarely decrease. Once implemented, you should expect this new charge/tax to increase in the future. Please consider providing comments to King County on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Cynthia Lamothe".

Cynthia Lamothe
General Manager

Board of Commissioners:

Jon Ault, President

Gary Schulz, Vice President

Don Henry, Secretary

NEW King County Right-of-Way Rental Charge/Tax

Background

On November 7, 2016, the King County Council passed Ordinance No. 18403 that will result in significant cost increases for utilities. The Ordinance requires utilities, such as Skyway Water and Sewer District, to pay a "right-of-way rental charge" (a tax) to the county for the right to use county rights-of-way (streets and roads). The county has issued a proposed public rule to implement this rental charge/tax that can be found at www.kingcounty.gov/franchise

Quick Facts...

- ◆ This charge/tax applies to water, sewer, gas, and electric utilities. You will be charged by each of these utility providers for essentially *the same* rental charge/tax.
- ◆ According to the county's information provided with the proposed rule, your rates will likely increase by \$5 to \$10 per month.
- ◆ This charge/tax would become effective in early 2018, 30 days after the public rule is finalized.
- ◆ The charge/tax funds will be deposited into the county general fund and may be used for purposes *other* than road maintenance, like criminal justice programs. In other words, it is a revenue source to fund the county budget.
- ◆ The county is accepting public comments on the draft rule until **5:00 p.m., Thursday, December 7, 2017**.

Why are we telling you this?

As stewards of your water and sewer utilities, we work hard to keep your utility rates as low as possible and feel you should be aware of this forthcoming change, as it will also increase your gas and electric bills as well.

Now's the time to get involved

It is our position that water and sewer districts already have the statutory authority to use the county right-of-way for their water and sewer facilities. In essence, the county will be charging you for use of the right-of-way that districts already enjoy. Skyway Water and Sewer District will be submitting comments to the county on this issue, and we strongly encourage you to do so as well.

OFFICIAL WAYS TO SUBMIT COMMENTS

Comment online at www.kingcounty.gov/franchise

Find more information on the proposed rule and complete the online comment form.

Comment by mail:

Terri Hansen, Project Manager, Facilities Management Division
500 Fourth Ave., Suite 800; Seattle, WA 98104

Additional recommendation (separate from your official comment submittal)

Contact your King County Councilmember

Larry Gossett, (206) 477- 1002

Larry.Gossett@kingcounty.gov ****be sure to copy Terri Hansen at terri.hansen@kingcounty.gov**

Larry Gossett, King County Council, 516 Third Ave, Room 1200, Seattle, WA 98104