



## **NOTICE: YOUR WATER BILL COULD INCREASE SIGNIFICANTLY**

**Please read this important update regarding new legislation that could significantly increase your annual water rates.** After decades of King County requiring water utilities to provide potable water and fire suppression services and authorizing the use of public right of way for such purposes, it passed Ordinance 18403 in November 2016, requiring water, sewer, gas and electric utilities to pay rent for the use of public right of way. This means that ALWA will be charged “rent” for something that has been free since the water system was founded in 1969. This ordinance was adopted solely for revenue generation purposes after the State legislature declined to give counties the right to impose a public utility tax. King County plans on raising millions of dollars per year in revenue from this program for general fund purposes. Charging utilities with rent for the use of public right of way is a disguised form of very regressive taxation on utility customers. The State Supreme Court affirmed the constitutional validity of the concept of Ordinance 18403 although it held that the rent amount must be negotiated.

In March, 2018, the County issued to the Association an estimate of annual rent in the amount of \$39,864 to take effect later that year. The estimate was based on the estimated value of the roads, but since roads are not bought and sold like other property, the value was derived from adjacent developed and developable land combined with a 6.6% annual rate of return.

The Association recently submitted a counter proposal to King County’s rent estimate that was significantly lower than the County’s calculation. The Association based its counter proposal on the simple proposition that a utility’s use of public roads financed by taxes and developer donations should not be valued like an easement over private property. The Association also claimed a credit for fire suppression costs as authorized by County ordinance. To date, we have not received a response from King County. We have no way of knowing whether King County will agree to the Association’s calculations.

We want to make the members of the Ames Lake Water Association aware of the potential impact to your water, electric and gas bills if the Association is required to pay substantial amounts of rent for the use public roads. If you have comments, please feel free to contact District 3 Council member Sarah Perry (206-447-1003 or [sarah.perry@kingcounty.gov](mailto:sarah.perry@kingcounty.gov)). You may also call the Association at 425-222-7003 or consult the ALWA website where we will post the latest updates on and possible impact on your monthly water bill.

[www.ameslkwater.org](http://www.ameslkwater.org)

## **Frequently Asked Questions**

**1. How does the payment of rent for the use of public roads impact you?**

The Ames Lake Water Association owns and operates water mains within King County right-of-way (ROW) throughout its Washington Department of Health designated Service Area and is subject to this new fee. ALWA's current utility rates do not account for this additional King County rental fee. The Association cannot absorb this new rental fee and it would have to be passed on to the Association's members. As an ALWA Member, your monthly utility bills will include a new line item for these rental fees (likely around \$4 per month based on the County's estimate) but escalation provisions would allow the rental fees to increase over time. This new King County rental fee applies to other franchise utilities within the right-of-way so you should expect similar increases in your gas and electric power bills if you haven't already.

**2. Where will the money raised by this new King County right-of-way rental go?**

This new "fee" is a rental for use of the right-of-way. It is not a fee in the traditional sense since you will not gain any additional services or direct benefits from paying this fee. The rental fees will go to the general fund and be used to fund various King County projects and programs.

**3. What has the Ames Lake Water Association done to fight this new fee?**

The Ames Lake Water Association has been adamantly opposed to this rental fee since its inception. We believe it to be fabrication of elected King County officials, staff and lawyers that subverts the intention of the Washington Legislature that ROWs are to be used for the common good of the citizens of the state. Utilities have always been an authorized secondary use of the right of way and in fact, counties require utilities to be available as a condition to issuing building and land development permits. ALWA has repeatedly communicated and met with King County officials individually and as part of various groups to express serious policy, water resource, public safety, and discriminatory concerns with this new King County Ordinance and subsequent development of rules and processes. All this was to no avail, as King County is only interested in the generation of new funds to expand its budget.

**4. When will this new fee take effect?**

King County seeks retroactive application for the payment of rent back to September of 2018. Final resolution of the specific rental fees for ALWA will be a negotiated process detailing values of various county roads in which utility water mains and other infrastructure are located. Depending on the outcome of negotiations and application of the fire suppression cost credit, ALWA Members may be assessed back rental fees along with the ongoing rental fee.

**5. WE NEED YOUR HELP!!!**

There should be some benefit in contacting members of the King County Council to share your thoughts about this new fee. Councilmember Sarah Perry currently holds the seat for District 3 representing the ALWA Service Area. She would be the most appropriate point of contact. Councilmember Perry can be reached via email at [sarah.perry@kingcounty.gov](mailto:sarah.perry@kingcounty.gov) or by phone at (206) 477-1003.

**Visit our website [www.ameslkwater.org](http://www.ameslkwater.org) for a sample letter you can send to Councilmember Perry**