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Kennewick Irrigation District
2015 South Ely Street
Kennewick, WA 99337*

KENNEWICK IRRIGATION DISTRICT RESOLUTION 2022-24

Authorization for Collection of Surcharges for Properties in the BE 2.7-1 Service Area, Amending Resolution 2022-15

A **RESOLUTION** of the Board of Directors of Kennewick Irrigation District (KID), Benton County, Washington, relating to certain rates, charges and assessments; establishing certain rates, charges and surcharges and directing assessment process related to the KID BE 2.7-1 Service Area; authorizing and directing actions.

Section 1. RECITALS AND FINDINGS.

1.1 The KID traditional service area of BE 2.7-1 is directly connected to the Badger East Canal for water delivery.

1.2 Water delivered from KID canals are required to be taken on a minimum 24-hour basis. This requirement is related to the reduction in carrying capacity of the canals as they flow to the end of the reach.

1.3 On-Demand service is defined as the ability to take or stop water delivery without prior notification to KID. Farming units that make water changes will be required to notify KID as soon as is practicable following the change, but no longer than 1 business day.

1.4 Due to the continued canal lining, location of automated gates, and in-line canal storage, KID can provide limited on-demand service to properties to be served directly from the canal system.

1.5 Canal System improvements are planned to include additional construction of reservoir storage for the purpose of providing supplemental water supply during years of low water supply. An additional benefit of this storage will be to allow water delivery on an on-demand basis to utilize water more efficiently and provide better water use flexibility to KID customers.

1.6 Water delivery during times of low water supply will still be limited to a peak instantaneous amount and a monthly maximum volume pursuant to Board Action in the management of that low water supply year.

1.7 It is appropriate to charge customers for the additional availability and capacity of on-demand service.

1.8 This resolution applies to one (1) traditional service area encompassing 3 parcels representing 61.55 irrigable acres. A map depicting the traditional service area and corresponding properties is attached as **Exhibit 1**. This area has been selected by request from the customers and are within a previous KID Canal lining project area.

1.9 This resolution applies to those participating properties through an Irrigation Water Service Agreement. Service is limited to those properties that either participate in an additional distribution service network installation (either the entire traditional service area or a portion) or the entire traditional service area elects to participate through Irrigation Water Service Agreements.

This Resolution sets forth KID's program for the system improvement and necessary financial support from assessments against benefited properties, and from rates and charges (including charges in lieu of assessments) for the BE 2.7-1 Service Area.

Section 2. SERVICE AREA. The Service Area for this Resolution area as follows:

- A. BE 2.7-1 includes 3 parcels, 61.55 irrigable acres.

Section 3. SURCHARGE.

3.1 The following charges apply as "KID Surcharges for System Improvements." The surcharge applicable to these properties shall be calculated as follows.

3.2 The surcharge has two components:

A. Storage Component: The surcharge will be determined based on the Equivalent Irrigation Units (EIUs) that apply to a property, and will be based on the storage component of the EIU charges for the Southridge and Clodfelter Masterplan Areas, as follows:

- i. For farming units (single or multiple properties under one ownership), the number of EIUs applicable to the property is based on the difference of the base flow to the probable peak flow (2.8 gpm per irrigable acre) or the actual peak flow on record for that delivery(ies), whichever is higher; or
- ii. For individual properties (multiple properties, multiple ownerships), the number of EIUs applicable to the property is based on 2" service connections, each of which is equivalent to four (4) EIUs; or

AND

iii. Service Location Component: The surcharge will be for each traditional service location, and be based on the average cost of a meter and associated controls/reporting per traditional service location prorated by the number of properties in the traditional service area.

- a. A request was made by property owners within the BE 2.7 area for individual meters. There are two property owners within this traditional service area.

3.3 Upon a building permit being issued for a property previously categorized as a part of a farming unit, the surcharge will be re-calculated as per paragraph A.ii. above.

3.4 The surcharge will be collected as follows:

3.4.1 Storage Component

3.4.1 In order to incentivize capital recovery, if the entire project costs (both Storage Component and Service Location Component) are paid by October 31, 2022, the cost of the surcharge area as follows:

3.4.1.1 Storage Component of the surcharge will be reduced to \$551.85 per EIU.

3.4.1.2 Service Location Component of the surcharge will be reduced to the following amounts by traditional service area:

- | | |
|-----------------------------|-------------------------|
| i. Parcel 117882000002008 | \$2,590.09 per property |
| ii. Parcel 117882000002009 | \$1,295.05 per property |
| iii. Parcel 117882000002010 | \$1,295.05 per property |

3.4.2 If the entire project costs are not paid in full by October 31, 2022, a property owner may elect to defer the surcharge and be charged \$120 per year until the earlier of:

3.4.2.1 Change in Property Ownership, at such point, the entire surcharge for project costs becomes due; or

3.4.2.2 January 1, 2032, at such point, the surcharge for project cost will be recovered through an annual surcharge of \$68.98 per EIU (Storage Component) and an amount per property as listed below (Service Location Component) which will be added to the KID billing with equal one-half (1/2) installments due April 30 and October 31 of each year, for ten (10) years. If there is a change in property ownership after January 1, 2032, the entire surcharge amount, less any annual surcharges paid, becomes due.

- | | |
|-----------------------------|-----------------------|
| i. Parcel 117882000002008 | \$323.76 per property |
| ii. Parcel 117882000002009 | \$161.88 per property |
| iii. Parcel 117882000002010 | \$161.88 per property |

3.4.3 If the entire project costs are not paid in full or deferred by October 31, 2022, an annual surcharge of \$68.98 per EIU (Storage Component) and an amount per property as listed below (Service Location Component) will be added to the KID billing to the property as a separate Capital Surcharge, with equal one-half (1/2) installments due on April 30 and October 31 of each year, for ten (10) years (with the exception of the 2022 surcharge, which will be due on October 31, 2022). If there is a change in property ownership after October 31, 2022 or following the property entering into a Deferment Agreement, whichever is earlier, the entire surcharge amount for the project costs, less any annual surcharges paid, becomes due.

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|-----------------------------|-----------------------|
| i. Parcel 117882000002008 | \$323.76 per property |
| ii. Parcel 117882000002009 | \$161.88 per property |
| iii. Parcel 117882000002010 | \$161.88 per property |

3.5 All properties paying a Capital Upgrade and Improvement Charge receive one (1) EIU credit.

Section 4. ASSESSMENT. All properties within the BE 2.7-1 water service area may also be subject to annual assessments (or a charge in lieu of assessment) for the cost of irrigation water service.

Section 8. IMPLEMENTATION. The KID District Manager is hereby authorized and directed to take such action as appropriate and necessary to administer and enforce this Resolution.

Section 9. REPEALER; FUTURE ACTIONS. Any KID act prior to and inconsistent with this Resolution is hereby superseded and repealed. Nothing in this Resolution shall limit the future authority of KID to modify, rates charges and assessments.

RESOLUTION 2022-24 IS HEREBY ADOPTED by the Board of Directors of Kennewick Irrigation District, Benton County, Washington, at a regular open public meeting with a quorum present thereof this 19th day of April, 2022.


Gene Huffman, President


David McKenzie, Vice President


Kirk Rathbun, Director

ABSENT
Arland Ward, Director


Griffin Hanberg, Director

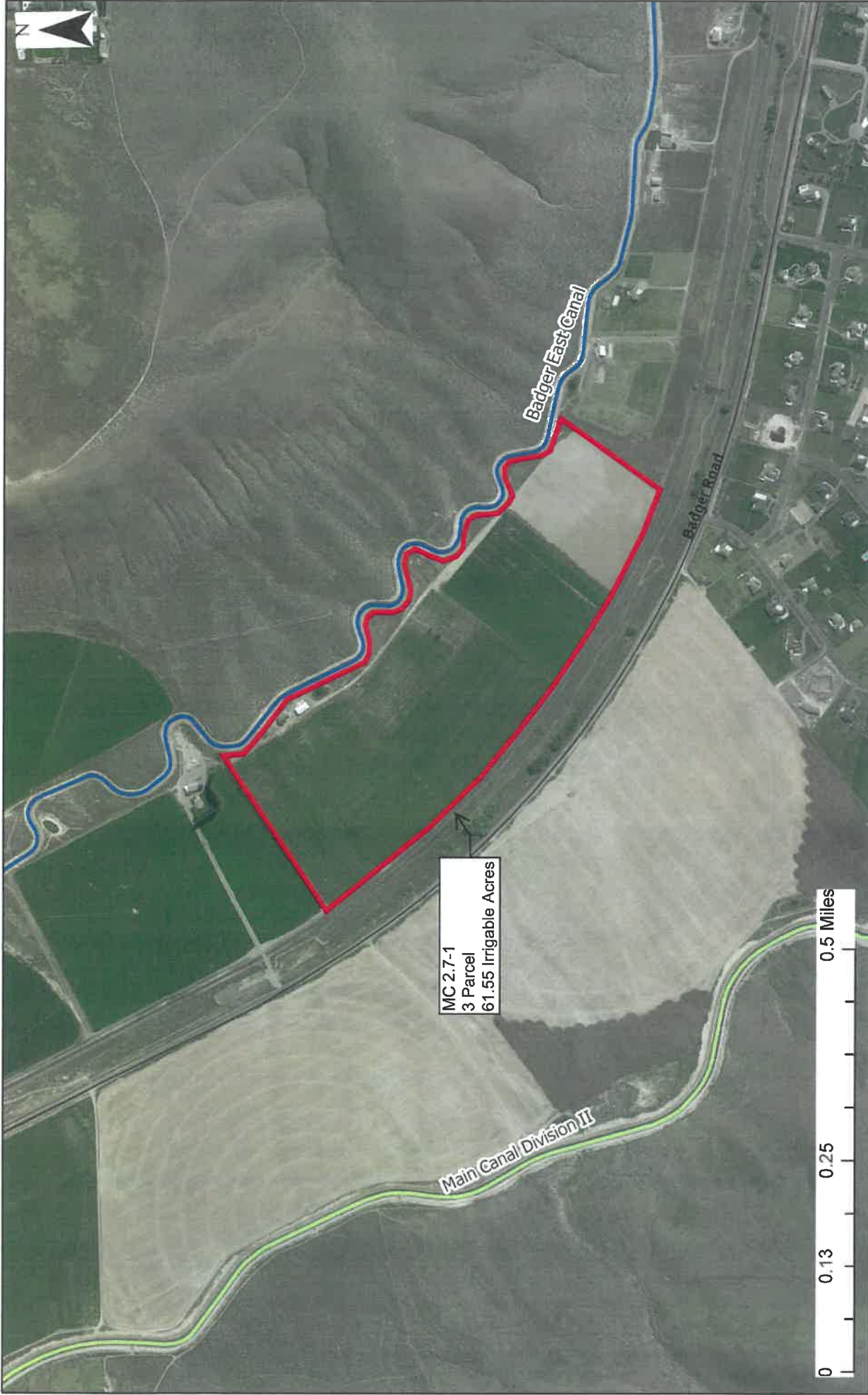


Exhibit 1 Resolution 2022-15 Surcharge Service Areas

Legend
 — Major Roads

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