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Executive Assistant Kennewick Irrigation District 2015 South Ely Street Kennewick, WA 99337

> KENNEWICK IRRIGATION DISTRICT RESOLUTION 2024-43

A RESOLUTION RELATING TO ASSESSMENTS, RATES AND CHARGES; ADOPTING THE FINLEY WEST MASTER PLAN; AND ESTABLISHING A CAPITAL SURCHARGE ASSESSMENT BENEFIT AREA AND COLLECTION METHOD.

The Board of Directors of the Kennewick Irrigation District hereby resolves as follows.

Section 1. RECITALS AND FINDINGS.

- 1.1 There is continued growth of the Tri-Cities and the rapid conversion of agricultural lands to urban uses. Those changes create challenges for the Kennewick Irrigation District (KID). The alternatives to meet those challenges are limited. KID may meet that challenge through sound planning and engineering that, to the extent feasible, reduce risk to KID ratepayers, or not provide irrigation water services to certain areas.
- 1.2 Similar to the Southridge area, another rapidly developing area of Kennewick is referred to by KID as the Finley West area. Much infrastructure has already been installed by the developing properties within the boundaries of this area. However, due to the continued growth of the area, future demands are expected to increase. Despite the amount of infrastructure that has already been installed, a key component is still missing in this region pressurized irrigation water. Thus, KID has prepared the Finley West Irrigation Master Plan (KID,August 2024; "Finley West Irrigation Master Plan"). The Master Plan describes the Irrigation Master Plan Benefit Area, including the existing infrastructure, current and future land development, and the capital improvements needed to serve the Finley West Irrigation Master Plan Benefit Area.
- 1.3 The Finley West Irrigation Master Plan Benefit Area is located in Kennewick and is comprised of 3,093.4 acres of land. Irrigation water is being delivered to the Finley West service area via the Main Canal Division IV from the south through a series of pipelines and pump stations. From the Chandler pumping plant, water is supplied to the KID Main Canal. The Main Canal Division IV begins 25.1 miles downstream of the canal headworks near the Amon Pump Station. After traveling east of the Kennewick West, Kennewick Central South, Kennewick Southeast, and Finley West service areas, the Main Canal Division IV eventually drains into the Hover Wasteway.

In the Finley West service area, there are 14 turnouts responsible for drawing water from the canals for the farms and residents downstream The Finley West service area is made up of primarily private line areas (PLAs). PLAs consist of delivery points where KID supplies irrigation water and a group of customers then convey the water to individual properties through their privately owned facilities. For this service area, the turnouts are the delivery points.

- 1.4 Implementation of the Master Plan is a multi-year, multi-phased project, with current cost estimates not to exceed \$7.3 million in 2024 dollars. KID intends to fund the costs of the Master Plan improvements through available financing means, including but not limited to assessments, rates and charges.
- Section 2. MASTER PLAN ADOPTED. The Finley West Irrigation Master Plan is hereby approved and adopted.
- Section 3. SERVICE LEVEL. The level of service provided to properties within the Finley West Irrigation Master Plan shall be based on equivalent irrigation units (EIU). Each EIU shall be the equivalent of a one-and-a-quarter-inch (1 ¼") service connection providing an instantaneous flow of 15 gallons per minute. Any larger service connections shall be calculated as a multiple of this base EIU, irrespective of development standards applicable to a property. Each EIU charge is initially set at \$3.997.86 and this is hereby established as the base charge with the following surcharges:
- 3.1 The surcharge for a two-inch (2.00) service connection, based on 4 EIUs and 60 gpm, is set at \$15,991.44. The surcharge for a four-inch (4.00) service connection, based on 8 EIUs and 120 gpm, is set at \$31,982.88. The surcharge for a six-inch (6.00) service connection, based on 21 EIUs and 315 gpm, is set at \$83,955.06. The surcharge for an eight-inch (8.00) service connection, based on 42 EIUs and 630 gpm, is set at \$167,910.12.
- 3.2 KID will allow a credit towards future EIUs surcharges based on the current property land use and current paid EIU surcharge above the base surcharge. Said credit shall only go toward additional EIU surcharges provided the property subdivides and meets the requirements for additional base connections of one-and-a-quarter-inch $(1-\frac{1}{4})$, (e.g. one (1) five-acre property pays for one (1) two-inch (2.00) service connection, equivalent to a \$15,991.44 surcharge. One year later, the same property then subdivides into ten (10) properties all requiring one-and-a-quarter-inch $(1-\frac{1}{4})$ service connections or a total of \$39,978.60 (10 x \$3,978.86 = \$39,978.60). The \$15,991.44 original surcharge will be applied as a credit towards the \$39,978.60 surcharges).
- Section 4. TRANSMISSION SURCHARGES. Each lot (a) within the Service Area and (b) existing at the time of adoption of the Master Plan, is credited for one (1) transmission component or Master Plan EIU. Any lot receiving a new service connection, or upon subdivision requiring additional connections, shall be charged for any additional EIU(s).
- Section 5. DISTRIBUTION SURCHARGES. For all properties referenced in Section 4, any distribution charges related to installation of new distribution infrastructure (e.g. in the case of PLA conversions) shall be a separate and distinct charge from the Service Area Transmission Component Surcharge or Master Plan Service Area EIU Surcharge.
- Section 6. LOTS AND RECORDING. All preliminary and final-plats, plat expirations, or plat alterations approved after October 1, 2024, shall be governed by the Finley West Irrigation Master Plan and the capital charges and capital assessments contained herein (or as later modified by KID). The availability of irrigation water shall be subject to and conditioned upon this Resolution and subsequent KID resolutions and this condition shall be shown on the face of each subdivision and plat going forward from October 1, 2024, and each subsequent subdivision of land.

Section 7. SERVICE STANDARDS.

- 7.1 KID Policy and Procedure (4.19) entitled "Standard Specifications" and Policy and Procedure (4.3) entitled "Developer Risk Mitigation" provide the developing and building community guidance in building to district standards. However, the Finley West Irrigation Master Plan and the establishment of capital surcharge assessments shall prevail if in conflict with any existing KID policy and or procedure.
- 7.2 No On-Site Ponds or Pump Stations that may have previously been approved but not constructed will be further authorized by KID. All properties within the Finley West Irrigation Master Plan Benefit Area shall be served by the facilities described in the Finley West Irrigation Master Plan.
- **Section 8. ALLOCATIONS AND ANNEXATION.** KID hereby grants allocations to parcels within the Finley West Irrigation Master Plan Benefit Area, but without an allotment, subject to implementation of the Master Plan and a parcel's compliance with this Resolution and other KID policies and procedures. KID staff is directed to identify additional parcels either inside or outside KID boundaries for future annexation potential.
- **Section 9. FINANCES**. KID intends to distribute costs of Master Plan phase one improvements across all parcels to be served from the water transmission system improvements, and assess the capital charge or surcharge to such properties within an identified benefit area. Under law, including RCW 87.03.265, irrigation district assessments and charges constitute a lien against the property assessed or charged. KID intends to assess the costs of the improvements required by the Finley West Irrigation Master Plan as capital assessments together with any capital charges, in addition to the annual operations, maintenance and capital assessments levied across all KID-served land.
- **Section 10. IMPLEMENTATION**. The District Manager is directed to prepare a plan to fund the costs of the Master Plan improvements through available financing means, including but not limited to assessments and rates and charges.

This Resolution No. 2024-43 is hereby adopted by the Board of Directors of Kennewick Irrigation District, Benton County, Washington, at an open public meeting thereof, with a quorum present, this 1st day of October 2024.

David McKenzie, Directo

Arland Ward, Director

Gene Huffman, President

Kirk Rathbun, Vice President

Griffin Hanberg, Director