

**Kennewick Irrigation District**  
**2011 Rate Study – Cost of Service Model**  
**Frequently Asked Questions**

**Is KID raising their irrigation rates again?**

- *No, this process is revenue neutral. KID is not going to collect additional revenue with this proposed rate change; some water users will pay more, and others will pay less. There will be no net gain to KID.*
- *The reason that KID had this study completed and went to the work of examining the rate structure again was to respond to questions and comments from the public and the press about the KID irrigation rate structure that was adopted in 2008. With the help of an appointed citizen rate committee, KID's goal is to structure the rates to its customers in the most fair and equitable way possible.*

**How will this change affect my rates?**

- *The affect on an individual water user's irrigation rate will depend on how much of the KID infrastructure it requires to deliver the irrigation water to that property. If a property uses just the canals, the rate would be less than that of a property that gets water from a distribution pipe and a pump that pressurizes the water. In general, smaller parcels with less complicated infrastructure will likely have modest decreases in their rates from this recommended new rate structure. Larger parcels with pressurized water may see the greatest increases.*
- *We don't know at this point exactly what the rates will be for each property as our Board is still taking public testimony and considering the policies that will drive the design of the rate structure. When we know the Board's decisions, we will have that information available on our website. Your input is important to us; please submit a comment form to our Board. The form is available on our website at [www.kid.org](http://www.kid.org) or in the KID office.*

**Why is KID so expensive? I used to pay a lot less than I pay now.**

- *As part of this study we looked at how much costs have increased in fifty years. There were years when the irrigation assessments did not cover the operating costs, let alone the long term infrastructure maintenance required. It costs more to operate an aging system.*
- *For some years starting in the 1980's, the KID subsidized rates by selling off pieces of land that it obtained through foreclosure more than sixty years ago. This was not a sustainable strategy however, and the Board does not want to use the last of those resources to subsidize current rates, leaving the burden on the future water users to figure out how to maintain and improve the system.*
- *The KID maintains several hundred miles of canal and pipelines and pays the electricity, vehicle costs, repairs, US Bureau of Reclamation costs, and all the administrative costs for the delivery of irrigation water. The KID budget is set at what it takes to maintain the system and put money into capital improvement reserves for future renovations and emergencies. KID does not recover a "profit" from its customers; it just covers the costs of operating and maintaining the District. Because KID delivers within the tri-cities area to 22,000+ customers instead of a smaller number of farms like some irrigation districts, it costs more money for KID to operate the irrigation system.*

I understand that farmers and agricultural lands get a break in their rates. Why is this?

- *The United States Bureau of Reclamation (USBR) paid for 45% of the original construction cost of the irrigation project. The USBR goal was to reclaim the arid west and provide vital agricultural lands to sustain economic development. The Board of Directors is considering the recommendation of our consultant that the annual value of that construction subsidy, spread over the first 80 years of operations, be applied in part to the agricultural lands still in operation, as was the USBR's intent. This is the sole benefit to Ag lands in the recommended rate structure. The fact that the USBR debt for the construction was at 0% interest is proposed to continue being applied equally across all customer types.*
- *Agricultural lands will still have assessments based on the type of infrastructure that applies to their irrigation water delivery. They benefit from a reduced rate per acre on the transmission only (canal & pipelines 24 inches and larger) due to the USBR construction subsidy. Agricultural lands that receive pressurized piped water will pay more, similarly to other customer classes with the same benefit.*

Why does KID fund irrigation infrastructure for new developments instead of rehabilitating some of the old infrastructure?

- *KID does not pay for new development irrigation infrastructure. The developer or private owners pay for the new infrastructure and then dedicate ownership, operations and maintenance to KID. KID has subdivision specifications to ensure that we're not inheriting problematic or poorly designed and constructed infrastructure.*
- *The new water users in the development will pay the same rates as the other customers in the same rate class to support the ongoing maintenance and operation of their irrigation infrastructure. The Red Mountain irrigation system, for example, will not be paid for by users outside of that system.*
- **Regarding rehabilitating our older infrastructure:**
  - 1) *KID adopts a new Capital Upgrade & Improvement Project Schedule each year. We have prioritized the upgrades on that schedule based on:*
    - *Is there risk to property or people if this project is not completed?*
    - *Is there substantial water conservation as a result of this upgrade?*
    - *Will the improvement reduce operating costs or improve irrigation water delivery to our customers?*
  - 2) *KID works within a budget to maximize the benefit to the District from the amount of capital funds we have without further impacting customer rates. We try to benefit the most customers possible with the funds we have.*
  - 3) *KID funds the capital irrigation betterment projects by a combination of customer funds collected for capital purposes and grants that become available from the US Bureau of Reclamation or WA Dept of Ecology. These grants usually fund projects that conserve water resources and up to 82.5% of eligible construction costs can be eligible for State or Federal funding.*

*If you want to hear more about this process, there is an audio recording of the May 23, 2011 Board meeting including all the discussion from that presentation on our website at [www.kid.org](http://www.kid.org). There is also a form available for you to send comments to our Board about the process or policy priorities. We thank you for your feedback.*