

Please return to:

*Executive Assistant
Kennewick Irrigation District
12 West Kennewick Avenue
Kennewick, WA 99336*

**KENNEWICK IRRIGATION DISTRICT
RESOLUTION 2015-01**

A RESOLUTION OF THE BOARD OF THE KENNEWICK IRRIGATION DISTRICT RELATING TO RATES AND CHARGES, AND ASSESSMENTS; ADOPTING AND SETTING THE 2015 SCHEDULE OF RATES & CHARGES; AND, ADOPTING AND LEVYING 2015 ASSESSMENTS; PROVIDING FOR EQUALIZATION OF BOTH RATES AND CHARGES, AND ASSESSMENTS, AND COLLECTION THEREOF.

The Board of Directors of the Kennewick Irrigation District, Benton County, Washington, hereby resolves as follows:

Section 1. Recitals and Findings.

1.1 Kennewick Irrigation District (“District”) is authorized under chapter 87.03 RCW to apply a system of assessment or a system of rates and charges, or a combination of systems as the District may determine. A process for equalization of assessments is required under RCW 87.03.255. Operating under RCW 87.03.455(5), the District need not maintain a process for equalization of rates and charges under that alternative method employed by the District. Nevertheless, the District elects to provide a process for equalization of rates and charges for the rates and charges established herein.

1.2 The District serves residential parcels, commercial parcels and agricultural lands. In order to address the classification of those receiving and/or allotted water, the District makes distinctions among classes of customers, including for the administration of the system of assessments and the system of rates and charges. Approximately 90% of the parcels within the District are single-family lots, of one acre or less in size. It is appropriate that parcels of one acre or less be classified uniformly based on gross lot size. For parcels in excess of one acre, it is appropriate to classify property based on gross parcel(s) size less impervious surfaces (such as roofs and paved areas).

1.3 Properties within the District are allotted water, and the District has an obligation to serve and to impose assessments consistent with the District’s contract(s) with the United States. The

District maintains a process for a parcel's relegation of water allotment. Upon relegation of allotment, no further assessment is maintained.

1.4 The system of assessments and the system of rates and charges herein are not exclusive. Parcels remain subject to charges for specific services under the District's separately-adopted schedule of fees for such services.

1.5 The Board of Directors of Kennewick Irrigation District ("Board") gave notice of its proposed 2015 schedule of rates and charges ("Rates and Charges") and levy of assessments as required by law. The Board met as a board of equalization in open public session on December 2, 2014 with a quorum present, consistent with the notice. The Board heard and considered all objections to the Schedule of Rates & Charges, and all objections to the Schedule of Assessments, that came before it. At its conclusion, the Board of Equalization by unanimous vote closed the public hearing and equalized Rates and Charges, if any, and Assessments, if any.


1.6 The Board determines that the proposed 2015 Schedule of Rates & Charges and the 2015 Schedule of Assessments are fair, equitable, and uniform among the same classes of KID customers, and equalized.

Section 2. 2015 Schedule of Rates and Charges Adopted. The 2015 Schedule of Rates and Charges is confirmed and adopted, as set forth in Attachment A to this Resolution.

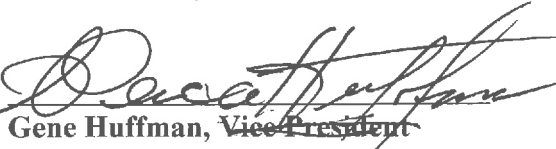
Section 3. 2015 Schedule of Assessments Adopted. The 2015 Schedule of Assessments is confirmed and adopted, as set forth in Attachment A to this Resolution.


Section 4. Levy and Collection. The Board Secretary is directed to levy and collect the Rates and Charges, and the Assessments, against the applicable parcels as described in the 2015 Schedule of Rates & Charges; and, Assessments attached hereto and made a part hereof by this reference as Attachment A to this Resolution.


Resolution 2015-01 is hereby adopted by the Board of Directors of the Kennewick Irrigation District, Benton County, Washington, at a meeting with a quorum present in open public session thereof, this 6th day of January, 2015.


Kirk Rathbun, President


Patrick McGuire


Gene Huffman, Vice President


Dean Dennis


David McKenzie K.P.

ATTACHMENT A to Resolution 2015-01

KENNEWICK IRRIGATION DISTRICT

**2015 SCHEDULE OF RATES & CHARGES;
AND ASSESSMENTS**

1. 2015 BASE RATES AND CHARGES. The District schedule provides for charges for the irrigation services provided to deliver an allotment to irrigable member parcels at a base charge to be paid by each parcel, under RCW 87.03.455 (5). Excess water over the base quantity will be billed at rates consistent with Section 5 below. Each parcel within the District is charged according to the following tiered Rate Schedule, together with the other charges hereunder:

| Tier | Parcel Size | Non-pressurized | Pressurized |
|------|------------------------------------|-----------------|---------------|
| 1 | Less than or equal to 0.0750 acres | \$22 | \$22 |
| 2 | Between 0.0751 and 0.150 acres | \$196 | \$286 |
| 3 | Between 0.151 and .250 acres | \$222 | \$329 |
| 4 | Between .251 and .450 acres | \$244 | \$371 |
| 5 | Between .451 and .650 acres | \$276 | \$424 |
| 6 | Between .651 and 1.100 acres | \$308 | \$488 |
| 7 | Between 1.101 and 1.800 acres | \$351 | \$557 |
| 8 | Between 1.801 and 3.000 acres | \$393 | \$631 |
| 9 | Between 3.001 and 5.000 acres | \$441 | \$722 |
| 10 | Between 5.001 and 8.000 acres | \$493 | \$822 |
| 11 | Larger than 8.001 acres | \$84.90/acre | \$106.10/acre |

2. CONDOMINIUM & TOWNHOME UNITS RATE CALCULATION. KID is required by State law to charge individual condominium units for their proportionate ownership share of the total acreage of the project as identified in the condo declaration or legal ownership documents. The exception to this would be where the common area is legally owned exclusively by the Homeowners' Association, which would be charged like any other property owner. The KID assessment for units developed and held under the enabling condominium legislation (Chapters 64.32 and 64.34 RCW) shall be: The Tier 1 Charge above plus any applicable charges below, levied against each condominium unit.

3. OTHER CHARGES WHEN APPLICABLE. In addition to the eleven tiered rates in Section 1, parcels shall be charged as follows:

3.1. Each parcel, including condominium units, will be charged the 2015 Capital Upgrade & Improvement Charge of \$54.40 per parcel.

3.2. Each parcel subject to the applicable United States Bureau of Reclamation (USBR) construction loan payment will be charged that payment amount (estimated at \$3.86 per acre for old lands and \$4.54 per acre for new lands).

3.3. Parcels with outstanding KID-financed Local Improvement District assessments will continue to be subject to such assessments.

4. SURCHARGES APPLICABLE TO CERTAIN LOCATIONS OR SERVICES.

4.1 Customers served via the Red Mountain Service Area (RMSA) will pay a RMSA Capital Surcharge of \$36.80 per acre

4.2 Customers served via the Red Mountain Service Area (RMSA) will pay a RMSA Operating Surcharge of \$37.70 per acre

5. EXCESS WATER CHARGES.

5.1 Non-Pressurized Systems. The excess water charge for non-pressurized systems is as follows: The annual allotment of water is 3.5 acre-feet of water per acre of land. For the first acre-foot or fraction thereof above allotment, at a rate of \$29.11 per acre-foot ($\$84.90/3.5 = \$24.26 \times 120\% = \29.11); for each acre-foot or fraction in excess of the first acre-foot above the allotment, the rate is \$33.96 per acre-foot ($\$84.90/3.5 = \$24.26 \times 140\% = \33.96).

5.2 Pressurized Systems. The excess water charge for pressurized systems is as follows: The annual allotment of water is 3.5 acre-feet of water per acre of land. For the first acre-foot or fraction thereof above allotment, at a rate of \$36.37 per acre-foot ($\$106.10/3.5 = \$30.31 \times 120\% = \36.37); for each acre-foot or fraction in excess of the first acre-foot above the allotment, the rate is \$42.43 per acre-foot ($\$106.10/3.5 = \$30.31 \times 140\% = \42.43).

5.3 General. Pursuant to KID Policy 3.2-3 and consistent with the USBR/KID Contract, excess water charges, when multiple parcels receive water from a single measured delivery point, will be prorated among allotted parcels based on the number of acres in the allotment for each parcel. The charges will be prorated in this manner even if the actual usage of excess water is not proportionate, unless the individual parcels are metered or individualized use is established by KID and the Watermaster.

6. ASSESSMENTS.

6.1. Each parcel within the District that is allotted water is assessed according to the following schedule of Assessments:

| Tier | Parcel Size | Non-pressurized | Pressurized |
|------|------------------------------------|-----------------|---------------|
| 1 | Less than or equal to 0.0750 acres | \$22 | \$22 |
| 2 | Between 0.0751 and 0.150 acres | \$196 | \$286 |
| 3 | Between 0.151 and .250 acres | \$222 | \$329 |
| 4 | Between .251 and .450 acres | \$244 | \$371 |
| 5 | Between .451 and .650 acres | \$276 | \$424 |
| 6 | Between .651 and 1.100 acres | \$308 | \$488 |
| 7 | Between 1.101 and 1.800 acres | \$351 | \$557 |
| 8 | Between 1.801 and 3.000 acres | \$393 | \$631 |
| 9 | Between 3.001 and 5.000 acres | \$441 | \$722 |
| 10 | Between 5.001 and 8.000 acres | \$493 | \$822 |
| 11 | Larger than 8.001 acres | \$84.90/acre | \$106.10/acre |

6.2 Each parcel shall be credited for the amount paid to the District as rates and charges under the Section 1 Schedule, up to the amount of the Assessment against the Parcel under this Section 6.

6.3 Any parcel that is permitted by the District to relegate, and has relegated and relinquished, the parcel's water allotment to the District shall be exempt from assessments under this Section 6 and exempt from rates and charges under Section 1, and shall have no claim for District water service.