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

**KENNEWICK IRRIGATION DISTRICT
RESOLUTION 2012-38**

**AUTHORIZING AN INTERFUND LOAN FROM THE INTERNAL REALTY
RESERVE FUND TO THE RED MOUNTAIN SOUTH LID CAPITAL PROJECT
FUND IN AN AMOUNT NOT TO EXCEED \$6,500,000.**

WHEREAS, the Kennewick Irrigation District is one single legal fund, but has established internal funds for managing and tracking accounting for operations, reserves, and capital projects; and

WHEREAS, the Red Mountain South LID project has been approved for construction tentatively by April 30, 2014 with a tentative budget of \$16,700,000 with \$10,000,000 in funding to come from the State of Washington Columbia River Fund, Department of Ecology, and the balance to come from Bond proceeds upon substantial completion of the construction project; and

WHEREAS, the KID has Realty Reserve funds that it can loan to the project on a short-term basis at a rate comparable to what a bank would charge for a similar loan.

- (1) A loan in an amount not to exceed \$6,500,000 is hereby authorized from the (Internal) Realty Reserve Fund to the (Internal) Red Mountain South LID Capital Project Fund. The Comptroller/Treasurer is authorized to advance funds as needed to the Capital Project Fund from the Realty Fund for the purposes of this loan;**
- (2) The loan including any accrued interest shall be repaid from Bond proceeds, or other authorized funds within 3 years of loan approval or sooner if the project is complete and permanent financing is available;**
- (3) Effective January 1, 2013, interest shall accrue monthly on the 1st of each month at a rate of 1.8% per annum on the average loan balance outstanding for the previous month and will be due and payable from the Red Mountain South LID Capital Project Fund**

Resolution 2012-38 is hereby adopted by the Board of Directors of Kennewick Irrigation District, Benton County, Washington, at an open public meeting thereof this 17th day of December, 2012.


Gene Huffman, President


Patrick McGuire, Vice President


Kirk Rathbun, Director


David McKenzie, Director


Dean Dennis, Director