

**RESOLUTION NO. 2016-11**

**APPROVING \$500,000 LINE OF CREDIT LOAN  
WITH BANK OF THE WEST  
TO ASSIST IN MEETING CASH FLOW REQUIREMENTS**

**PURISSIMA HILLS WATER DISTRICT**

**WHEREAS**, Purissima Hills Water District (District) has experienced inconsistent and lower revenues than normal due to California's ongoing five-year drought and has needed to draw down from its reserves to pay for necessary capital projects; and

**WHEREAS**, the District has raised water rates, in due diligence, to meet rising expenses, fund capital projects, and replenish reserves, but the effect of the drought on projected revenues is unknown in the foreseeable future; and

**WHEREAS**, because the District's reserves are lower than desired and the effect of the drought on projected revenues is unknown in the foreseeable future, the District now desires to borrow funds as needed to meet cash flow requirements that may vary due to emergencies, timing of capital project expenditures, and collection of revenue; and

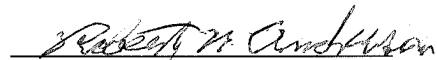
**WHEREAS**, Bank of the West has committed to loan the District up to \$500,000 in the form of a revolving line of credit with a \$500 annual fee and an interest rate of prime plus 0.50% for the amount loaned.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of Purissima Hills Water District (Board) authorizes borrowing from Bank of the West funds in an amount not to exceed \$500,000, by means of a revolving line of credit, with a \$500 annual fee and interest rate of prime plus 0.50% for the amount loaned, on the condition that any withdrawals from the credit line must be executed only by the General Manager and reported to the Board at the next regular meeting; and

**BE IT FURTHER RESOLVED** that the President of the Board, Robert Anderson, and General Manager, Patrick Walter, are authorized to execute any and all documents as may be necessary to consummate the loan on behalf of the District, all in a form approved by Legal Counsel, and to take such further actions as may be necessary to give effect to this resolution.

Passed and adopted this 13th day of July, 2016, by the following vote of the Board.

AYES: Directors Holtz, Solomon, Evans, Anderson, and Jordan  
NOES: None  
ABSENT: None



President, Board of Directors  
Purissima Hills Water District

ATTEST:

  
Secretary of the District