

Southwest Lincoln County Water PUD
7740 Hwy 101 N
Yachats OR 97498
541-547-3315

**RESOLUTION NO. 20-11
BUSINESS OREGON LOAN 743-02-01 PAYOFF**

WHEREAS, the Southwest Lincoln County Water People's Utility District (SWLCWPUD) is a special district formed under ORS Chapter 198 and exists and exercises legal authority under ORS Chapter 261;

WHEREAS, the SWLCWPUD has the fiduciary responsibility to minimize the liabilities of the SWLCWPUD,

WHEREAS, the SWLCWPUD entered into a \$80,539 Line of Credit loan with Business Oregon at an interest rate of 3.86% per annum on 31 October 2008

WHEREAS, the SWLCWPUD Board of Directors unanimously agreed at the SWLCWPUD Board of Directors 17 September 2020 meeting that the latter interest rate was

- 1) excessive compared to available loan rates in the financial market,
- 2) substantially higher than interest income for current SWLCWPUD banking and LGIP funds and the financial market.

WHEREAS, the SWLCWPUD Board of Directors, after due consideration, unanimously voted at its 17 September 2020 meeting to payoff the foregoing loan with Business Oregon in the amount due on 30 October 2020.

WHEREAS, A common situation in which appropriations are transferred from one category to another within a fund is when a specific need is identified for money that was budgeted and appropriated as operating contingency. To make the expenditure, the appropriation authority must be transferred from the contingency category to the appropriation category from which it will be expended. The contingency appropriation is reduced and the receiving appropriation category is increased by the same amount so the fund remains in balance.

THEREFORE, having received notice from Business Oregon that the loan payoff amount on 30 October 2020 is \$1,770.20 Net Accrued Interest and \$48,029.38 Loan Balance, the SWLCWPUD will pay Business Oregon the sum of \$49,799.58 on 30 October 2020, discharging this loan debt.

BE IT RESOLVED, payment for the forgoing loan shall be made from the SWLCWPUD Checking Account maintained at the Columbia Bank in Waldport, OR.

BE IT RESOLVED, The SWLCWPUD Board of Directors, approve a transfer of appropriation authority from the General Fund's "Operating Contingency" to the General Fund's "Debt Service" in the amount of \$ 49,799.58.

BE IT RESOLVED, that this Resolution is unanimously approved by the Board of Directors on 21 October 2020.


Donald S Tucker, President


Gary Hodges, Secretary