



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Steve Wong, Finance Division Manager

DATE: March 20, 2008

**RE: Draw from Line of Credit
Agenda Item for 3/25/08 Board of Directors Meeting**

At the Board's meeting last month, Resolution 08-2-1 was adopted which authorized the establishment of a \$1 million line of credit with Tri-Counties Bank. The Line of Credit (LOC) is now in place and available to the Agency.

Cash available in the Water Division, including the funds reserved for System Capacity, is approximately \$1,750,000. The Agency's anticipated cash needs over the next few weeks, including payments for debt service, the property insurance renewal, payroll, and miscellaneous checks is estimated to be \$1,050,000. I am recommending that a draw of \$500,000 from the Line of Credit be authorized at this time. Existing cash on hand, plus the \$500,000 draw will be sufficient to meet our anticipated cash disbursements in the near term. A balance approximately equal to the funds reserved for System Capacity Expansion will remain invested in our account at the Local Agency Investment Fund (LAIF).

The following action is requested:

"I move authorization for the Finance Division Manager/Treasurer to affect a \$500,000 draw from the Tri-Counties Bank line of credit."