

## RESOLUTION NO. 07-08

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TWENTYNINE PALMS WATER DISTRICT RESCINDING THE POLICY FOR OBTAINING A LINE OF CREDIT

**WHEREAS**, the Board of Directors previously adopted a policy for obtaining a line of credit ("Policy"). Said Policy was established pursuant to Resolution No. 92-09 and later amended pursuant to Resolution No. 92-16. The Policy is currently set forth in Twentynine Palms Water District Code Section 3.05.020; and

**WHEREAS**, the Policy provides, among other things, that the president, or his/her board designee and the general manager or assistant general manager or comptroller, any one board member and any staff member acting together are authorized, in the name of the District, to obtain credit, with or without security, and to enter into leases for personal property, from Union Bank. The Policy further provides that the authority conferred in this Section 3.05.020 shall continue in full force and effect until written notice of this revocation shall be received by the bank at its banking office; and

**WHEREAS**, the Board adopted Resolution 06-01 which authorized the General Manager to close all bank accounts with Union Bank of California and transfer any remaining funds to the existing corresponding account with PFF Bank & Trust for further transfer to LAIF for investment. As a result, the District does not currently have any bank accounts with Union Bank; and

**WHEREAS**, the Board has determined that there is currently no need for a separate policy regarding the process for obtaining a line of credit and that the District can refer to its authority as a County Water District under the California Water Code in connection with obtaining a line of credit or similar financial instruments; and

**WHEREAS**, the Board desires to rescind the Policy and to instead refer to and utilize the statutory authority of the District as a County Water District for obtaining a line of credit or other similar financial instruments.

**NOW, THEREFORE**, the Board of Directors does hereby **RESOLVE** and **ORDER** as follows:

Section 1: Section 3.05.020 **Line of Credit** of the Twentynine Palms Water District Code is hereby rescinded, in its entirety and is of no further force or effect as of the effective date of this Resolution as set forth below. Nothing in this Resolution shall limit or otherwise impact the authority of the District to obtain a line of credit or utilize any other financial instrument as authorized under the County Water District Law set forth in the California Water Code.

Section 2: Resolution 92-09 and Resolution 92-16 are hereby superceded in their entirety and are of no further force or effect as of the effective date of this Resolution as set forth below.

Section 3: If any provision in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each provision thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

Section 4: This Resolution shall become effective upon the date of adoption as set forth herein.

Section 5: The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

**PASSED AND ADOPTED** at a Meeting of the Board of Directors of the Twentynine Palms Water District held this 23<sup>rd</sup> day of May 2007 by the following vote:

Ayes	Directors Anthony, Carter, Cisneros and Yockey
Noes:	None
Abstain:	None
Absent:	Director Moore

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Edith E. Carter, President  
Board of Directors

ATTEST:

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Mike Wright, Board Secretary  
Twentynine Palms Water District