

RESOLUTION NO. ____ -16

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHEATLAND
AUTHORIZING THE LOAN OF \$250,000 FUND BALANCE FROM THE SEWER
ENTERPRISE FUND TO THE WATER ENTERPRISE FUND**

WHEREAS; the revenues generated in the Water Enterprise Fund have not been sufficient for the past several years to cover the total Operating Costs, Debt Service Costs, Capital Repair Costs and the funding of the reserves required by the terms of the U. S. Department of Agriculture loan agreement;

AND WHEREAS; the cash balance of the Water Enterprise Fund would be in a deficit position as of June 30, 2016 without this loan;

NOW, THEREFORE, the City Council of the City of Wheatland does hereby approve the loan of Two Hundred Fifty Thousand Dollars (\$250,000) from the cash account of the Sewer Enterprise Fund to the cash account of the Water Enterprise Fund effective June 30, 2016. The principal balance shall bear interest at the rate that the funds would have earned in the Sewer Fund.

Repayment of the Principal and Accrued Interest amount shall be made at such time as the Cash Fund Balance of the Water Enterprise Fund shall be sufficient to make the repayment without impairing the ability of the Water Fund to operate efficiently. The repayment shall be at the discretion of the City Council.

PASSED AND ADOPTED at a regular meeting thereof held on the 28th day of June 2016, by the following vote:

AYES:

NOES:

ABSENT:

Attest:

Jay Pendergraph, Mayor

Lisa J. Thomason, City Clerk