Board Decision
Renew Line of Credit at the Bank of the Cascades

April 7, 2010

Summary

To approve the renewal of a $ 4 million line of credit at the Bank of the Cascades.

Background

- The Energy Trust board first approved a $ 4 million line of credit in March 2002. The line of credit helps bridge timing gaps between when revenues are received. The limit was reduced to $ 1 million and in December 2005, restored to $ 4 million.
- Energy Trust established a line of credit with the Bank of the Cascades in April 2006.
- The Bank of the Cascades continues to be the bank of record for Energy Trust banking services.
- Conditioned upon the board's approval by resolution, the Bank of the Cascades has authorized a commitment for a revolving line of credit in the amount of $ 4 million at an interest rate of prime minus .50 basis points.

Discussion

- The line of credit continues to be a useful way to manage differences in timing of revenues and expenses.
- Energy Trust will be issuing an RFP for banking services soon.
- In the meantime, staff believes it is prudent to continue the line of credit for emergency needs.

Recommendation

Staff recommends that the Board of Directors approve renewal of the $ 4 million line of credit at the Bank of the Cascades to be effective through March 31, 2011, or revocation by the board by adopting resolution #548, below.

RESOLUTION 548

RENEW $ 4 MILLION LINE OF CREDIT AT THE BANK OF THE CASCADES

WHEREAS:

1. **Energy Trust wishes to renew its $ 4 million line of credit at the Bank of the Cascades.**
2. **The Bank of the Cascades has authorized a commitment for a revolving line of credit in the amount of $ 4 million at an interest rate of prime minus .50 basis points conditioned upon the board's approval by resolution.**

It is therefore RESOLVED:

1. **That this corporation, Energy Trust of Oregon, may:**
   - **Borrow up to $ 4 million from a revolving unsecured line of credit offered by the Bank of the Cascades at an interest rate of prime minus .50% to bridge timing issues of revenue receipt and program expense.**
   - **Repay the line of credit with monthly interest payments and principal due at maturity, within one year from the date of the agreement.**
2. **Any two (2) of the following officers of this corporation, one a representative from management and one a representative from the board:**
   - **President**
   - **Vice President**
   - **Treasurer**
   - **Executive Director**
   - **Chief Financial Officer**

   are hereby authorized and directed, in the name of this corporation to execute and deliver to Bank and Bank is requested to accept the credit agreements, other instruments, agreements and documents which evidence the obligations of this corporation under the credit facilities obtained or to be obtained pursuant to this resolution.

3. **The Bank is authorized to act upon the foregoing resolution until written notice of revocation is received by the Bank, and the authority hereby granted shall apply with equal force and effect to the successors in the office of the authorized officers.**

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]