

M E M O

To: Board of Directors

From: District Manager

Subject: Authorization to Borrow Letter
Wells Fargo Bank N.A.

Date: May 26, 2005

RECOMMENDATION:

It is recommended that the Board of Directors of the San Lorenzo Valley Water District review this memo and approve the attached resolution authorizing the Board to execute an Authorization to Borrow Letter for Wells Fargo Bank N.A. on behalf of the District.

BACKGROUND:

Liberty Bank is the District's primary financial institution for payroll processing and Wells Fargo Bank is the District's primary financial institution for paying bills, collecting funds and investment purposes.

For the past 15 years, the District has maintained credit card accounts through Liberty Bank for authorized miscellaneous purchases for the District Manager and Director of Operations. Since that time, U. S. Bancorp, St. Louis, Missouri has become the funding institution for the Liberty Bank Credit Cards. Due to the District's normal accounts payable procedures and the terms of payment for U.S. Bancorp, there has been an increase in fees for late payments.

To avoid any additional increase in fees for late payments, staff has applied for credit card accounts through Wells Fargo Bank N.A. for authorized miscellaneous purchases for the District Manager and the Director of Operations. Switching to Wells Fargo Bank for the District's credit card accounts will allow the District to make monthly payments in a timely manner that is consistent with the District's normal accounts payable procedures. Prior to Wells Fargo Bank N.A. issuing the credit cards, it is necessary for the Board to execute an Authorization to Borrow Letter on behalf of the District. See Attachment.

It is recommended that the Board of Directors of the San Lorenzo Valley Water District review this memo and approve the attached resolution authorizing the Board to execute an Authorization to Borrow Letter for Wells Fargo Bank N.A. on behalf of the District.

James Mueller
District Manager