

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 12

TO: Valley Clean Energy Alliance Board of Directors

FROM: Mitch Sears, Interim General Manager

SUBJECT: Temporary extension of revolving line of credit

DATE: July 9, 2020

RECOMMENDATION

Approve a one month extension of the existing revolving line of credit with River City Bank to August 15, 2020.

BACKGROUND AND ANALYSIS

At its December 14, 2017 meeting, the Board adopted a resolution to select River City Bank as the credit and banking services vendor for VCE and authorized the Interim General Manager to execute a letter of intent and enter into negotiations for final contracts with River City Bank for VCE credit facilities. On March 7, 2018, the Interim General Manager executed a term sheet for up to \$11 million dollars in total credit facilities for VCE with River City Bank. On May 10, 2018 the Board authorized the Interim General Manager to sign an \$11 million dollar revolving line of credit (RLOC) with an 18 month term. On April 9, 2020 the Board ratified a temporary 3 month extension of the RLOC to July 15, 2020 with a \$7 million dollar cap. VCE staff and River City Bank are completing negotiations on a one year extension which will be ready for consideration at the August Board meeting. The one month extension of the current temporary extension will allow for completion of negotiations.