

INTERFUND BORROWING RESOLUTION

WHEREAS, the Board of Trustees of the Village of Swanton has determined, and hereby finds, that funds are needed in order to meet certain accruing or incurred expenses of the Swanton Village, Inc. Electric Department; and

WHEREAS, the Village of Swanton General Fund currently pays for expenses of the Electric Department that are unique to the Electric Department and expenses that the Electric Department shares with other departments of the Village; and

WHEREAS, the Electric Department will either run a positive ("Due From") or negative balance ("Due To") in the General Fund depending on its current expenses and revenues; and

WHEREAS, the 30 V.S.A. § 108(c) for any indebtedness of longer than one year incurred by municipal electric utility was amended in 2019 thru Act 81. Municipal utilities are relieved of the need to obtain the Public Utilities Commission's consent under Section 108 for issuances that when combined with all other issuances during the previous 12 months, does not exceed 20% of the municipality's assets; and after the proposed issuance the municipality's total amount of indebtedness would not exceed 50% of its total assets. In addition, the Board of Trustees, without the need for voter approval may authorize the issuance of bonds and notes provided the amount of the bonds do not exceed 50% of the total assets of the utility.

WHEREAS, in lieu of borrowing funds needed for such purpose from a financial institution, the Board of Trustees elects to meet a portion of the Electric Department's current expense payment liability by means of a revolving line of credit using funds from the Village's General Fund.

NOW, THEREFORE, BE IT RESOLVED THAT:

- (1) The sum of XXXXXX from the Village's General Fund shall be available as a revolving line of credit ("RLOC") for use by the Electric Department, so long as there is a positive balance in the General Fund. The RLOC shall be limited so that draws by the Electric Department shall not cause the General Fund to be a negative amount.
- (2) The sum so used as a RLOC shall be expended for the purposes of paying the above-identified current expenses.
- (3) This Resolution shall serve as evidence of the availability of funds in accordance with Section (1), above, and the expenditure of the sum in accordance with Section (2), above.
- (4) The term of the RLOC shall be one year. The RLOC shall mature coincident with the last day of the Village's fiscal year. The RLOC may be renewed up to four times annually at the beginning of the Village's fiscal year.
- (5) Any amounts drawn upon by the Electric Department shall accrue at an interest rate of 0% per annum from the date of each RLOC draw. The Electric Department may pay down any amounts due to the General Fund at any time without penalty.

(6) This Resolution shall serve as authority for the Village to effect the transactions contained herein and to evidence the same on the charts of accounts of the Village.

Duly adopted at a regular meeting of the Board of Trustees of the Village of Swanton held on the 22 day of December, 2025.

ATTEST:

Village Clerk