SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-D**

FROM: Steve Mack, General Manager

Meeting Date : October 7, 2010

SUBJECT: USE OF SALE OF SURPLUS LANDS REVENUE

RECOMMENDED ACTION: Discuss use of the revenue from the sale of surplus lands and possibly give direction to the General Manager.

FISCAL IMPACT: No direct impact

DISCUSSION:

The District developed a Surplus Lands Strategy and will possibly be receiving revenue from the sale of lands. Directors have requested that this item be placed on the agenda for discussion and possible direction.

One suggestion for the possible uses of the revenue has been repayment of the USDA bond that was used for the initial purchase of the District. USDA staff have been contacted regarding early repayment and we have learned that early repayment is possible. The early payment is treated as an extra payment. It does not reduce the annual bond payment but does reduce the length of time for repayment of the bond.