

Minutes

Sacramento Suburban Water District
Financing Corporation Regular Board Meeting
Monday, February 26, 2007

Call to Order

Director Schild called the meeting to order at 5:36 p.m.

Roll Call

Directors Present: Ken Decio, Thomas Fellenz, David Githens (arrived 5:43 p.m.), Stephen Hanson and Neil Schild.

Directors Absent: None.

Staff Present: President Robert Roscoe, Dan Bills, Ed Formosa, Jan Gentry, Dave Jones, Warren Jung, John Valdes, and Legal Counsel Joshua Horowitz.

Public Comment

None.

Information Item

1. **Sacramento Suburban Water District Financing Corporation Presentation**
President Roscoe briefly presented the staff report and stated that Chief Financial Officer Bills and Legal Counsel Horowitz were prepared to give a presentation or answer any questions. Directors had no further inquiries.

Items for Discussion and Action

2. **Minutes of the February 27, 2006 Meeting**
President Roscoe noted there were minor edits staff wanted to make to the February 27, 2006 minutes for the Board's approval. Secretary Gentry identified the two staff edits.

MSC¹ (Hanson/Decio) that the Board of Directors approve the minutes of the February 27, 2006 SSWD Financing Corporation Board Meeting as amended, by unanimous vote.

3. **Appointment of Officers for 2007**
President Roscoe presented the staff report. Staff recommended the same slate of officers as last year. The Corporation Bylaws state that officers are chosen annually.

MSC (Schild/Githens) that the Board of Directors appoint those individuals who occupy the District positions of General Manager and Assistant General Manager to

¹Motion, Second, Carried.

the positions of Financing Corporation President and Vice President respectively; and those individuals who occupy the District positions of Assistant to the General Manager and Director of Finance to the positions of Secretary and Chief Financial Officer of the Financing Corporation respectively; the firm of Bartkiewicz, Kronick & Shanahan with Paul Barkiewicz as legal counsel, by unanimous vote.

4. **Amendments to Bylaws and Governing Procedures for the Financing Corporation**

President Roscoe presented the staff report. The Corporation's Bylaws state in Article III, Section 3.6 (Annual Meeting), that the annual meeting shall be held one hour before the regularly scheduled meeting of the SSWD Board of Directors in February each year. It is anticipated that future Corporation meetings could be concluded in one-half hour.

In addition, on June 19, 2006, the Sacramento Suburban Water District changed its fiscal year from February 1 through January 31 to January 1 through December 31. In Article VI, Section 6.2 (Fiscal Year), the Corporation begins its fiscal year on February 1. The intent is to have the Corporation's fiscal year run concurrently with the District's fiscal year.

The intent of the annual meeting in February was to meet at the beginning of the new fiscal year. A change in the Bylaws to a January 1 to December 31 fiscal year, means the Corporation should meet just prior to the regular SSWD Board of Directors' meeting in January.

Director Githens arrived at 5:43 p.m. and relieved Director Schild as the meeting chair.

MSC (Hanson/Fellenz) that the Board of Directors amend the Sacramento Suburban Water District Financing Corporation Bylaws as follows:

1. The fiscal year of the Corporation shall begin on January 1 of each year and end on December 31 of the following year; and
2. The Corporation's annual meeting shall be held one-half hour before the next regular SSWD Board of Directors meeting in January of each year,

by unanimous vote.

5. **Sacramento Suburban Water District Request to Shift Dollars Between Certain Projects as Defined in Exhibit A of the Installment Purchase Agreement Dates as of October 1, 2004, as Permitted by Section 3.02 of the Agreement**

Chief Financial Officer Bills presented the staff report. In December 2004, the Sacramento Suburban Water District Financing Corporation (Corporation) issued a \$41.3 million Certificate of Participation (COPs) on behalf of Sacramento Suburban Water District (SSWD). The proceeds were used both to repay SSWD for certain

long-term projects SSWD had funded itself over the prior 18 months before the borrowing and to fund certain future SSWD capital projects.

Subsequent to the debt issuance, SSWD discovered two discrepancies in the final prospectus versus the draft prospectus. The District will transfer \$1,221,000 of funds to the capital improvement project fund from general reserves to correctly account for the discrepancies. The COP agreement envisioned such possibilities and made provisions for project substitutions, subject to notification of both the Trustee and the Corporation. A letter, after approval by the SSWD Board, will be sent to the Corporation and Trustee by SSWD.

John Valdes explained the 2004 COP's status of spending funds chart in the staff report. He noted how much was spent to date, planned expenditures through September, 2007 and the net funds encumbered by October 1, 2007.

No action was taken by the Board.

6. **Set Next Meeting Date**

MSC (Schild/Decio) that the Board of Directors affirmed the next regular meeting for one-half hour prior to the SSWD Board of Directors Regular Board meeting in January 2008, by unanimous vote.

Director's Comments/Staff Statements and Requests

None.

Adjournment

Director Githens adjourned the meeting at 6:06 p.m.

Janet L. Gentry
Secretary, Sacramento Suburban Water District
Financing Corporation