

Minutes

Sacramento Suburban Water District
Financing Corporation Special Board Meeting
Thursday, April 7, 2005

Call to Order

President Buck called the meeting to order at 6:30 p.m.

Roll Call

Directors Present: Byron Buck, Ken Decio, Steven Eggert, David Githens and Neil Schild.

Directors Absent: None.

Staff Present: General Manager Robert Roscoe, Dan Bills, Ed Formosa, Jan Gentry and Legal Counsel Josh Horowitz.

Public Comment

None.

Items for Discussion and Action

1. **Minutes of the February 28, 2005 Meeting**
MSC¹ (Githens/Decio) that the Board of Directors approve the minutes of the February 28, 2005 Sacramento Suburban Water District (SSWD) Financing Corporation Board Meeting, by unanimous vote.
2. **Resolution FC-05-01 Authorizing the Execution and Delivery of Not To Exceed \$89,000,000 Adjustable Rate Revenue Certificates of Participation and Taxable Revenue Certificates of Participation, Approving the Execution and Delivery of Certain Documents and Authorizing Certain Actions in Connection Therewith**
Mr. Dan Bills presented the staff report. The resolution approves selling up to \$89,000,000 of Certificates for the purpose of advanced refunding the 1996 Northridge Certificate of Participation (COP), the 1997 Arcade COP, and the 2001 Northridge COP. The resolution references numerous documents that must be prepared in order to consummate the transaction. The Corporation's involvement in the transaction is primarily to authorize the sale of the Certificates and then assign the Certificates to the Trustee. The total present value savings are potentially \$4.5 million, depending largely on market conditions at the time of closing.

Mr. Doug Brown, Stradling Yocca Carlson & Rauth, reviewed each section of the resolution and explained the process. The majority of the COPs are tax

¹Motion, Second, Carried.

exempt. There are two series (A and B). Two memos were distributed: 1) the financing team roles and responsibilities and 2) series 2005A and series 2005B financing documents.

Mr. Dave Houston, Citigroup, discussed the savings that SSWD could realize.

General Manager Roscoe stated that staffing in the Finance Department must remain at its current level to provide the necessary expertise to manage the COPs.

The worse case scenario was discussed as well as risks such as tax, basis and credit risks. By proceeding with the COPs, SSWD will save money each year and the old Arcade and Northridge debts would be consolidated into SSWD debt. The 10 cents difference in SSWD's current rate structure could also be eliminated, which would allow all customers to pay the same rates.

MSC (Githens/Eggert) that the Board of Directors adopt Resolution FC-05-01 Authorizing the Execution and Delivery of Not To Exceed \$89,000,000 Adjustable Rate Revenue Certificates of Participation and Taxable Revenue Certificates of Participation, Approving the Execution and Delivery of Certain Documents and Authorizing Certain Actions in Connection Therewith, by unanimous vote.

Adjournment

President Buck adjourned the meeting at 7:04 p.m.

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