

Minutes

Sacramento Suburban Water District
Financing Corporation Special Board Meeting
Monday, April 28, 2008

Call to Order

Director Githens called the meeting to order at 7:04 p.m.

Roll Call

Directors Present: Ken Decio, Thomas Fellenz, Stephen Hanson, David Githens and Neil Schild.
Directors Absent: None.
Staff Present: President Robert Roscoe, Dan Bills, Ed Formosa, Jan Gentry and Legal Counsel Joshua Horowitz.

Public Comment

None.

Items for Discussion and Action

1. **Resolution No. FC-08-02 In Connection with the Conversion of Outstanding Adjustable Rate Revenue Certificates of Participation, Series 2004, Approving the Execution and Delivery of Certain Documents and Authorizing Certain Actions in Connection Therewith**

Dan Bills presented the staff report. Sacramento Suburban Water District (SSWD) has three existing debt instruments outstanding. The first debt instruments are the Series 2004 Certificates of Participation, which were issued in December 2004 for purposes of funding new capital projects.

The SSWD Board directed staff to convert the Series 2004 COPs from an auction rate mode (Auction Rate Securities or ARS) to variable interest rate instruments called Variable Rate Demand Obligations or VRDOs. The conversion to VRDOs was necessary due to the instability and turmoil in the ARS market that drove interest rates to unacceptably high levels. Mr. Bills reviewed the resolution, which approves the described documents subject to final changes approved by legal counsel and authorizes the Corporation President to execute the documents and take all necessary actions to convert the Series 2004 COPs to VRDO mode.

Dave Houston, Citigroup, was present to answer questions.

MSC (Schild/Decio) that the Board of Directors adopt Resolution No. FC-08-02 In Connection with the Conversion of Outstanding Adjustable Rate Revenue Certificates of Participation, Series 2004 to a New Interest Mode, Approving the Execution and

Delivery of Certain Documents and Authorizing Certain Actions in Connection
Therewith, by unanimous vote.

Director's Comments/Staff Statements and Requests

None.

Adjournment

Director Githens adjourned the meeting at 7:11 p.m.

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