

Agenda

Sacramento Suburban Water District Financing Corporation Special Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, July 26, 2010
6:00 p.m.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the Board President. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Roll Call

Public Comment

This is the opportunity for the public to comment on non-agenda items within the Board's jurisdiction. Comments are limited to 3 minutes.

Items for Discussion and Action

1. Minutes of the January 25, 2010 Meeting
Consider approving the minutes of the subject meeting.

2. Resolution No. FC-10-01 Approving the Execution and Delivery of Certain Documents and Authorizing Certain Actions in Connection with the Substitution of Allied Irish Banks, P.L.C. as Credit Facility Provider
Consider a resolution approving execution of documents regarding the substitution of Allied Irish Banks as credit facility provider.

Director's Comments/Staff Statements and Requests

The Board and District staff may ask questions for clarification, and make brief announcements and comments, and Board members may request staff to report back on a matter, or direct staff to place a matter on a subsequent agenda.

Adjournment

I certify that the foregoing agenda for the July 26, 2010 Financing Corporation Special Board meeting of the Sacramento Suburban Water District Financing Corporation Board of Directors was posted by July 22, 2010 at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

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

Agenda Item: 1

Minutes

Sacramento Suburban Water District
Financing Corporation Regular Board Meeting
Monday, January 25, 2010

Call to Order

Director Fellenz called the meeting to order at 6:03 p.m.

Roll Call

Directors Present: Ken Decio, Thomas Fellenz, Frederick Gayle (arrived 6:12 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, Dan York and Lynne Yost.
Public Present: William Eubanks.

Public Comment

None.

Items for Discussion and Action

- Minutes of the May 18, 2009 Meeting**
MSC¹ (Schild/Hanson) that the Board of Directors approve the minutes of the May 18, 2009 SSWD Financing Corporation special Board meeting, by 4/0/1 vote.
- Appointment of Officers for 2010**
The Corporation Bylaws state that officers are chosen annually.

MSC (Hanson/Decio) that the Board of Directors appoint those individuals who occupy the District positions of General Manager and Assistant General Manager to 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 Joshua Horowitz as legal counsel, by 4/0/1 vote.
- Set Meeting Date for 2011**
MSC (Hanson/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 2011, by 4/0/1 vote.

¹Motion, Second, Carried.

Information Item

4. Chief Financial Officer's Report

Chief Financial Officer Bills presented the staff report. The SSWD Financing Corporation facilitated the Sacramento Suburban Water District in refinancing two certificates of participation in 2009. As of December 31, 2009, four Certificates of Participation (in the aggregate amount of \$114,800,000), facilitated by the Financing Corporation on behalf of the District are outstanding. The Financing Corporation has no revenues or expenses to report for 2009.

Mr. Bills made a presentation on SSWD's debt history, starting from the consolidation of Northridge and Arcade water districts through present day.

Director Gayle arrived at 6:12 p.m.

Mr. Bills reviewed each financing activity for the 2004, 2005B, 2008A-1 and 2008A-2 certificates of participation. The consolidation of the Northridge and Arcade water districts' debts issuances were made for several reasons.

William Eubanks requested clarification of the 10 cents difference between the Northridge and Arcade water districts customer statements.

No action was taken by the Board.

Director's Comments/Staff Statements and Requests

None.

Adjournment

Director Fellenz adjourned the meeting at 6:28 p.m.

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

Sacramento Suburban Water District Financing Corporation

Agenda Item: 2

Date: July 21, 2010

Subject: Resolution No. FC-10-01 Approving the Execution and Delivery of Certain Documents and Authorizing Certain Actions in Connection with the Substitution of Allied Irish Banks, P.L.C. as Credit Facility Provider

Staff Contact: Daniel A. Bills, Chief Financial Officer

Recommended Board Action:

Adopt Resolution No. FC-10-01 Approving the Execution and Delivery of Certain Documents and Authorizing Certain Actions in Connection with the Substitution of Allied Irish Banks, P.L.C. as Credit Facility Provider.

Discussion:

In the June 2010, meeting of the Board of Directors (Board), the Sacramento Suburban Water District (District) Board directed staff to execute a Letter of Credit (LOC) Substitution Agreement on its Series 2008A-2 COPs by replacing Allied Irish Bank (AIB) with Lloyds TSB Bank plc. (Lloyd's). Specifically, the District Board approved the following:

1. Replace AIB as the LOC provider on the Series 2008A-2 COPs with a three year LOC from Lloyd's.
2. Retain the existing SWAP Agreement, even though it is not an effective hedge on the 2009A COP, until market conditions make it economically feasible to replace the SWAP.
3. Use the same financial service firms used in the June 2009 refinancing, namely – Stradling Yocca Carlson & Rauth, A Professional Corporation as Bond Counsel; Bartkiewicz, Kronick, & Shanahan, A Professional Corporation as General Counsel; Union Bank of California, N.A. as Trustee; and where appropriate such other firms necessary to complete the refunding.
4. Retain Citigroup Global Markets Inc. as the Remarketing Agent. (Note: no new agreement is necessary for a LOC substitution.)
5. Authorize the District Board President and District General Manager to execute contracts or agreements necessary for Lloyd's to replace AIB as the LOC facility provider on the Series 2008A-2 COPs subject to final approval of the documents by District Counsel.

Resolution FC-10-01

July 21, 2010

Page 2 of 2

The documents affecting the LOC substitution are substantially in final form. The resolution approves an amended and restated Trust Agreement and Installment Purchase Agreement subject to final changes approved by legal counsel and authorizes the Corporation officers to execute the documents and take all necessary actions to execute the LOC substitution on the Series 2008A-2 COPs.

Fiscal Impact:

None.

RESOLUTION NO. FC-10-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO SUBURBAN WATER DISTRICT FINANCING CORPORATION APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE SUBSTITUTION OF ALLIED IRISH BANKS, P.L.C. AS CREDIT FACILITY PROVIDER

WHEREAS, the Sacramento Suburban Water District Financing Corporation is a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation") with the authority to assist in the financing and refinancing of the acquisition of certain capital improvements on behalf of Sacramento Suburban Water District (the "District");

WHEREAS, the Board of Directors of the Corporation has previously assisted the District with respect to the execution and delivery of certificates of participation (the "2008A-2 Certificates") to refinance certain capital improvements of the District, and has previously authorized the execution of certain agreements in connection therewith;

WHEREAS, in connection with the execution and delivery of the 2008A-2 Certificates, the District entered into a Series 2008A-2 Letter of Credit Reimbursement agreement with Allied Irish Bank dated May 13, 2008 (the "AIB Credit Facility Agreement"); and

WHEREAS, the District has determined that it would be in the best interests of the District and citizens of the community to terminate the AIB Credit Facility Agreement and enter into a letter of credit reimbursement agreement (the "Lloyds Credit Facility Agreement") with Lloyds TSB Bank plc, acting through its New York Branch;

NOW, THEREFORE, the Board of Directors of the Corporation hereby finds, determines, declares and resolves as follows:

Section 1. Certificate Documents. The President or Vice-President are authorized and directed to execute and deliver an Amended and Restated Trust Agreement and an Amended and Restated Installment Purchase Agreement, with such additions thereto and changes therein as may be required to implement the Lloyds Credit Facility Agreement and as are approved by the officers executing such agreements, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. Other Actions. The President, Vice-President, Secretary or any Acting Secretary and such other officers of the Corporation are authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents which such officers may deem necessary or advisable in order to consummate the termination of the AIB Credit Facility Agreement and the transactions contemplated by the aforementioned Lloyds Credit Facility Agreement, the Amended and Restated Trust Agreement and the Amended and Restated Installment Purchase Agreement and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

Section 3. Effect. This Resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of Sacramento Suburban Water District Financing Corporation at a meeting on July 26, 2010 by the following vote:

AYES:

NOES:

ABSENT:

By: _____

Robert S. Roscoe
President
Sacramento Suburban Water District
Financing Corporation

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of the Sacramento Suburban Water District Financing Corporation at a special meeting thereof held on July 26, 2010.

By: _____

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