

Resolution No.
County Administration Building
Santa Rosa, California

Date

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY WATER AGENCY AUTHORIZING THE GENERAL MANAGER/CHIEF ENGINEER TO NEGOTIATE THE INSTALLMENT SALE AGREEMENT, IN SUBSTANTIALLY THE FORM AS ON FILE WITH THE CLERK, AND FINANCING OF WATER SYSTEM IMPROVEMENTS AND APPROVING RELATED DOCUMENTS, FOLLOWING REVIEW AND APPROVAL BY COUNTY COUNSEL, NECESSARY FOR ACQUISITION OF TWO EMERGENCY GENERATORS AT THE WOHLER-MIRABEL WATER COLLECTION FACILITIES, WITH MUNICIPAL FINANCE AND CITY NATIONAL BANK.

WHEREAS, the Sonoma County Water Agency (Agency) owns and operates a system for the supply, treatment and distribution of water within the service area of the Agency (Water System), and in order to improve the Water System the Agency has determined to acquire and install two emergency power generators at the Wohler-Mirabel water collection facilities of the Agency (Project); and

WHEREAS, in order to provide financing for the Project, the Agency has proposed to enter into an Installment Sale Agreement (Installment Sale Agreement) with Municipal Finance Corporation (Corporation), under which the Corporation agrees to provide funds for the Project and to sell the completed Project to the Agency in consideration of the agreement by the Agency to pay the purchase price thereof in semi-annual installments (Installment Payments); and

WHEREAS, the Installment Payments will be secured by a pledge of and lien on the net revenues of the Water System on a parity with the pledge and lien which secures the Agency's outstanding Water Revenue Bonds, 2003 Series A, issued in the original principal amount of \$15,680,000 (2003 Bonds) and the Agency's outstanding Water Revenue Bonds, 2006 Series A, issued in the original principal amount of \$11,500,000 (2006 Bonds); and

WHEREAS, the Agency is authorized to enter into the Installment Sale Agreement and to purchase the Project from the Corporation under the laws of the State of California, including Sections 53-3(d) and 53-3(p) of the Sonoma County Flood Control and Water Conservation District Act; and

WHEREAS, the Board of Directors approves all of said transactions in furtherance of the public purposes of the Agency, and the Board of Directors wishes at this time to authorize all proceedings relating to the financing for the Project as described herein.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Agency hereby finds, determines, and declares as follows:

Section 1. Approval of Financing Plan. The Board of Directors hereby approves the financing of the Project on an installment sale basis under the Installment Sale Agreement, under which the Corporation agrees to provide financing in the aggregate principal amount of \$3,020,000, and under which the Agency agrees to pay semi-annual Installment Payments as the purchase price of the Project, to be secured by a pledge of the net revenues of the Water System on a parity with the 2003 Bonds and the 2006 Bonds.

Section 2. Approval of Installment Sale Agreement. The Board of Directors hereby approves the Installment Sale Agreement, in substantially the form on file with the Clerk, together with any changes therein or additions thereto deemed advisable by the General Manager/Chief Engineer of the Agency. The Board of Directors hereby authorizes and directs the General Manager/Chief Engineer to execute the final form of the Installment Sale Agreement.

Section 3. Official Actions. The Chairman of the Board, the County Administrator, the Assistant County Administrator, the Treasurer of the Agency, the General Manager/Chief Engineer of the Agency, the Auditor-Controller, the Clerk of the Board and all other officers of the Agency are authorized and directed in the name and on behalf of the Agency to make any and all assignments, certificates, requisitions, agreements, notices, consents and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

DIRECTORS:

BROWN: KERNS: ZANE: CARRILLO: KELLEY:

Ayes Noes Absent Abstain

SO ORDERED.