

**MEETING OF THE BOARD OF DIRECTORS
SOUTHERN CALIFORNIA WATER REPLENISHMENT
FINANCING CORPORATION**

12621 E. 166th Street, Cerritos, California 90703

1:30 P.M., WEDNESDAY, OCTOBER 6, 2004

AGENDA

Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "For Information" or "For Discussion" may also be the subject of an "action" taken by the Board or a Committee at the same meeting.

I. DETERMINATION OF A QUORUM

II. PUBLIC COMMENT

III. CONSIDERATION OF RESOLUTION NO. 04-06 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA WATER REPLENISHMENT FINANCING CORPORATION AUTHORIZING THE EXECUTION AND DELIVERY BY THE CORPORATION OF A MASTER AGREEMENT FOR DISTRICT OBLIGATIONS, AN INSTALLMENT PURCHASE AGREEMENT AND A TRUST AGREEMENT IN CONNECTION WITH THE EXECUTION AND DELIVERY OF WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REVENUE CERTIFICATES OF PARTICIPATION (2004 CAPITAL IMPROVEMENT PLAN), AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH CERTIFICATES EVIDENCING PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$15,500,000 AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTION

Ad Hoc Bond Financing Committee Recommendation: Adopt Resolution No. 04-06 with a par amount of the debt issuance in excess of \$11.6 million.

IV. ADJOURNMENT

Agenda posted by Abigail C. Andom, Deputy Secretary, October 1, 2004. In compliance with ADA requirements, this document can be made available in alternative formats upon request.



MEMORANDUM

ITEM NO. III

Prepared by: Scott M. Ota

Reviewed by:

DATE: OCTOBER 6, 2004

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: CONSIDERATION OF RESOLUTION 04-06 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA WATER REPLENISHMENT FINANCING CORPORATION AUTHORIZING THE EXECUTION AND DELIVERY BY THE CORPORATION OF A MASTER AGREEMENT FOR DISTRICT OBLIGATIONS, AN INSTALLMENT PURCHASE AGREEMENT AND A TRUST AGREEMENT IN CONNECTION WITH THE EXECUTION AND DELIVERY OF WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REVENUE CERTIFICATES OF PARTICIPATION (2004 CAPITAL IMPROVEMENT PLAN), AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH CERTIFICATES EVIDENCING PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$15,500,000 AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTION

SUMMARY

The District is finalizing its efforts in putting together a debt financing package in order to fund the District's capital improvement projects and administration building over the next 30 years. Staff has had several all-hands meetings with the financing team and has reviewed the documents stated above with the Ad Hoc Bond Financing Committee. We will use these documents for the issuance of the debt. These documents have been sent to the directors and need to be approved through this resolution by the board in order to proceed with the financing.

FISCAL IMPACT

The fiscal impact of the bonds has a direct relationship to the sizing of the issuance, the interest rate at the time of the issuance, the rating of the bonds and the insurance costs, among other factors.

AD HOC BOND FINANCING COMMITTEE RECOMMENDATION

Adopt Resolution No. 04-06 with a par amount of the debt issuance in excess of \$11.6 million.

RESOLUTION NO. 04-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA WATER REPLENISHMENT FINANCING CORPORATION AUTHORIZING THE EXECUTION AND DELIVERY BY THE CORPORATION OF A MASTER AGREEMENT FOR DISTRICT OBLIGATIONS, AN INSTALLMENT PURCHASE AGREEMENT AND A TRUST AGREEMENT IN CONNECTION WITH THE EXECUTION AND DELIVERY OF WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REVENUE CERTIFICATES OF PARTICIPATION (2004 CAPITAL IMPROVEMENT PLAN), AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH CERTIFICATES EVIDENCING PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$15,500,000 AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the Water Replenishment District of Southern California (the “District”) desires to finance the acquisition, construction and installation of certain capital facilities in furtherance of the District’s purposes (the “Project”);

WHEREAS, in order to finance the Project, the District desires to purchase the Project from the Southern California Water Replenishment Financing Corporation (the “Corporation”), and the Corporation desires to sell the Project to the District, for the installment payments (the “Installment Payments”) to be made by the District pursuant to an Installment Purchase Agreement (such Installment Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Installment Purchase Agreement”);

WHEREAS, the Installment Payments, and the interest thereon, to be paid by the District pursuant to the Installment Purchase Agreement will be payable from revenues of the District remaining after the payment therefrom of operation and maintenance costs;

WHEREAS, the District desires to establish and declare, pursuant to a Master Agreement for District Obligations (the “Master Agreement”), by and between the District and the Corporation, the conditions and terms upon which obligations such as the Installment Purchase Agreement, and the Installment Payments and the interest thereon payable thereunder, are to be incurred and secured;

WHEREAS, the Corporation proposes to assign without recourse certain of its rights under and pursuant to the Installment Purchase Agreement to U.S. Bank National Association, as trustee (the “Trustee”), pursuant to a Trust Agreement among the Trustee, the Corporation and the District (such Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Trust Agreement”);

WHEREAS, in consideration of such assignment and the execution and entering into of the Trust Agreement, the Trustee will execute and deliver Water Replenishment District of Southern California Revenue Certificates of Participation (2004 Capital Improvement Plan) (the “Certificates”), evidencing direct, undivided fractional interests in the Installment Payments, and the interest thereon, payable under the Installment Purchase Agreement;

WHEREAS, the Board of Directors of the Corporation (the “Board”) has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Corporation is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southern California Water Replenishment Financing Corporation, as follows:

Section 1. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. The Master Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. The President of the Corporation, the Vice President of the Corporation, the General Manager of the Corporation and the Chief Financial Officer of the Corporation, and such other officer of the Corporation as the President may designate (the “Authorized Officers”) are, and each of them is, hereby authorized and directed, for and in the name of the Corporation, to execute and deliver the Master Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Master Agreement by such Authorized Officer.

Section 3. The Installment Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Corporation, to execute and deliver the Installment Purchase Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Installment Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate principal amount of Installment Payments in excess of \$15,500,000, shall not result in a true interest cost for the Installment Payments in excess of 5.75% and shall not result in a final Installment Payment later than August 1, 2035.

Section 4. The Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Corporation, to execute and deliver the Trust Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by such Authorized Officer.

Section 5. The execution and delivery of Certificates evidencing principal in an aggregate amount of not to exceed \$15,500,000, payable in the years and in the amounts, and evidencing interest on the Installment Payments as specified in the Trust Agreement as finally executed, are hereby authorized and approved.

Section 6. The Authorized Officers are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the execution and delivery of the Certificates and the transactions contemplated by the agreements or documents referenced in this Resolution.

Section 7. All actions heretofore taken by the officers and agents of the Corporation with respect to the execution, delivery and sale of the Certificates, or in connection with or related to any of the agreements or documents referenced in this Resolution, are hereby approved, confirmed and ratified.

Section 8. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED by the Board of Directors of the Southern California Water Replenishment Financing Corporation on October 6, 2004.

President

ATTEST:

Secretary

CERTIFICATE OF SECRETARY

I, Albert Robles, Secretary of the Southern California Water Replenishment Financing Corporation, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Directors duly and regularly held on the 6th day of October, 2004, of which meeting all of the members of said Board had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

An agenda of said meeting was posted at least 72 hours before said meeting at 12621 East 166th Street, Cerritos, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2004

Secretary