

RESOLUTION NO. 06-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UKIAH VALLEY SANITATION DISTRICT AUTHORIZING FINANCING AGREEMENT WITH THE CITY OF UKIAH

WHEREAS, the City of Ukiah (the "City") presently owns and operates facilities and property for the collection, treatment and disposal of wastewater within the service area of the City (the "Wastewater System"), and the City wishes to provide funds at this time to finance improvements to the Wastewater System, consisting generally of the rehabilitation upgrade, and expansion of the existing treatment plant (the "Project"); and

WHEREAS, the Association of Bay Area Governments (the "Authority") is authorized to assist local agencies in the financing of facilities and property such as the Project, and the Authority has proposed to enter into an Installment Sale Agreement (the "Installment Sale Agreement") with the City and Wells Fargo Bank, National Association, as trustee, under which the Authority agrees to provide funding for the Project and to sell the completed Project to the City in consideration of the agreement by the City to pay the purchase price of the Project in semiannual installments, to be secured by a pledge of and lien on the net revenues from the Wastewater System; and

WHEREAS, the City and the Ukiah Valley Sanitation District (the "District") have previously entered into a Participation Agreement dated July 19, 1995, as amended by Amendment No. 1 and Amendment No. 2, thereto (as so amended, the "Participation Agreement"), under which the costs of improving, operating and maintaining the unified wastewater system are allocated between the City and the District in each year in accordance with the procedures and methodology set forth therein; and

WHEREAS, the City and the District wish to enter into a Financing Agreement in order to ensure that the District will establish rates and charges for the use of the District's portion of the Wastewater System which are sufficient to enable the District to pay its share of the costs of the Project as apportioned under the Participation Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Ukiah Valley Sanitation District as follows:

Section 1. Approval of Financing Agreement. The Board of Directors hereby approves the amendment of the Participation Agreement with the City, in accordance with the Financing Agreement in substantially the form on file with the Clerk of the Board, together with any changes therein or additions thereto approved by the Chairman of the District, who is hereby authorized and directed for and in the name and on behalf of the District to execute the final form of the Financing Agreement. The Clerk of the Board is hereby authorized and directed to attest to the final form of the Financing Agreement.

Section 2. Official Actions. The Chairman, the Clerk of the Board and all other officers of the District are authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants 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 District 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 3. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED on January 9, 2006, by the following roll call vote:

AYES: Directors Crane, Wattenburger, and Delbar

NOES: None

ABSTAIN: None

ABSENT: None



MICHAEL DELBAR, Chairman

ATTEST: KRISTI FURMAN
Clerk of the Board



Secretary, Ukiah Valley Sanitation District

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

KRISTI FURMAN
Clerk of the Board

By: 