

**RESOLUTION NO. 526  
OF THE SUNNYSLOPE COUNTY WATER DISTRICT**

**AUTHORIZING THE BORROWING OF FUNDS FROM SANTA  
BARBARA BANK & TRUST, N.A. IN THE PRINCIPAL AMOUNT OF  
\$2,000,000 TO FINANCE WASTEWATER SYSTEM IMPROVEMENTS,  
AND APPROVING RELATED DOCUMENTS AND ACTIONS**

**WHEREAS**, the Sunnyslope County Water District ("District") is authorized to do all acts necessary to carry out fully the provisions of the County Water District Law and to carry out the business of the District, and to do any act necessary to furnish sufficient water and provide wastewater services in the District for any present or future beneficial use; and

**WHEREAS**, the District owns and operates certain facilities and property for the supply, treatment, and distribution of water (the "Water System"), and owns and operates certain facilities and property for the collection, treatment, and disposal of wastewater (the "Wastewater System"); and

**WHEREAS**, the District wishes at this time to finance improvements to the Wastewater System, consisting generally of constructing a new wastewater treatment plant, pipelines, pump stations, and related appurtenances (the "Project") for the collection and treatment of wastewater within the District; and

**WHEREAS**, in order to provide funds to finance the construction of the Project, the District has determined to borrow the amount of \$2,000,000 from Santa Barbara Bank & Trust, N.A. (the "Lender"), and to make monthly loan repayments (the "Loan Repayments") to the Lender, to be secured by a pledge of and lien on the net revenues of the District; and

**WHEREAS**, the District is authorized to borrow amounts for the forgoing purposes under the laws of the State of California, including the provisions of Article 1, Chapter 1, Part 6 of Division 12 of the California Water Code commencing with Section 31300 of said Code; and

**WHEREAS**, the Board of Directors approves all of said transactions in furtherance of the public purposes of the District, and the Board of Directors wishes at this time to authorize all proceedings relating to the borrowing of funds from the Lender for the purposes set forth herein;

**NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED** by the Board of Directors of the Sunnyslope County Water District as follows:

- 1. Approval of Loan.** The Board of Directors hereby approves the borrowing of funds from the Lender in the principal amount of not to exceed \$2,000,000 for the purposes of providing funds to finance the construction of the Project and paying the costs of the issuance of the Loan.
- 2. Loan Agreement.** The Board of Directors hereby approves the loan agreement between the District and the Lender in substantially the form on file with the Secretary of the Board of Directors, together with any changes therein or additions thereto deemed advisable by the General Manager. The Board of Directors hereby authorizes and directs the President to execute, and the Secretary of the Board of Directors to attest, the final form of the Loan Agreement for and in the name of the District.
- 3. Official Actions.** The President, the General Manager/Secretary of the Board of Directors, the Finance Manager, and all other officers of the District are each 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 authorized 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.

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

**THE FOREGOING RESOLUTION** was passed and adopted at a regular meeting of the Board of Directors of the Sunnyslope County Water District held on the 8<sup>th</sup> day of November, 2012, by the following vote:

AYES: DIRECTORS: Anderson, Clapham, Hill, Meraz, and Villalon

NOES: DIRECTORS: None

ABSENT: DIRECTORS: None

SUNNYSLOPE COUNTY WATER DISTRICT

By   
Dave Meraz, President

(S E A L)

ATTEST:   
Donald G. Ridenhour, Secretary