

# **Agenda**

## **Sacramento Suburban Water District Special Financing Corporation Board Meeting**

3701 Marconi Avenue, Suite 100  
Sacramento, California 95821

Monday, July 16, 2018  
5:45 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 916.679.3972. 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.

### **Consent Items**

The Board will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Board member, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the action items.

1. Minutes of the January 22, 2018 Meeting  
*Recommendation: Approve subject minutes.*

### **Items for Discussion and Action**

2. Amended Appointment of Officers for 2018  
*Recommendation: Consider amending appointment of Officers for 2018.*

- 3. Sacramento Suburban Water District Financing Corporation Bylaws  
*Recommendation: Review, comment and consider readopting Corporate Bylaws.*

**Adjournment**

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I certify that the foregoing agenda for the July 16, 2018 meeting of the Sacramento Suburban Water District Financing Corporation Board meeting was posted by July 12, 2018 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

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Dan York  
President  
Sacramento Suburban Water District  
Financing Corporation

# Agenda Item: 1

## Minutes

### Sacramento Suburban Water District Financing Corporation Annual Board Meeting Monday, January 22, 2018

#### Call to Order

President Locke called the meeting to order at 5:30 p.m.

#### Roll Call

Directors Present: Dave Jones, Craig Locke, Neil Schild, Kevin Thomas and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Robert Roscoe, Dan Bills, and Heather Hernandez-Fort.

Public Present: None.

#### Announcements

None.

#### Public Comment

None.

#### Information Item

- Sacramento Suburban Water District Financing Corporation**  
General Manager Dan York (GM York) presented the staff report and gave a brief explanation of the Financing Corporation and its function and purpose.

Dan Bills (Mr. Bills) explained that staff would be sending the Financing Corporation's bylaws to legal counsel to review for next year's meeting.

#### Items for Discussion and Action

- Minutes of the January 23, 2017 Meeting**  
Director Wichert moved to approve the minutes of the January 23, 2017 meeting; Director Thomas seconded. The motion passed by unanimous vote.

AYES:	Jones, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

- Appointment of Officers for 2018**  
Mr. Bills provided a summary of the staff report.

Director Thomas moved to approve the staff recommendation; Director Jones seconded.

Director Wichert expressed that he was not comfortable not having a Vice President of the Financing Corporation due to the current vacancy in the Assistant General Manager position. He recommended a different staff person be assigned to the position until the Assistant General Manager position was filled.

Director Jones recommended the Operations Manager – Matthew T. Underwood.

Director Thomas changed his motion to approve the staff recommendation, including the Operations Manager position as the Vice President of the Financing Corporation; Director Wichert seconded. The motion passed by unanimous vote.

AYES:	Jones, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**Information Item**

- 4. **Chief Financial Officer’s Report**  
Mr. Bills provided a summary of the staff report.

**Adjournment**

President Locke adjourned the meeting at 5:46 p.m.

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Heather Hernandez-Fort  
Secretary, Sacramento Suburban Water District  
Financing Corporation

# Sacramento Suburban Water District Financing Corporation

## Agenda Item: 2

**Date:** June 13, 2018

**Subject:** Amended Appointment of Officers for 2018

**Staff Contact:** Daniel A. Bills, SSWD Financing Corporation Chief Financial Officer

**Recommended Board Action:**

Appoint Michael J. Huot as Vice President, replacing Matthew T. Underwood, and reaffirm other officers as presently constituted.

**Discussion:**

At the January 22, 2018 meeting of the Sacramento Suburban Water District Financing Corporation (Corporation), the following individuals were appointed as officers of the Corporation:

- President: Daniel R. York
- Vice President: Matthew T. Underwood (SSWD Operations Manager)
- Secretary: Heather A. Hernandez-Fort
- Chief Financial Officer: Daniel A. Bills
- Legal Counsel: The firm of Bartkiewicz, Kronick & Shanahan, with Joshua Horowitz as legal counsel

Due to filling the vacancy in the Assistant General Manager position, staff recommends the appointment of the following officials of Sacramento Suburban Water District (District) as officers of the Corporation for the remainder of 2018:

<u>Corporation Position:</u>	<u>Filled by District Staff Position:</u>	<u>Presently Held by:</u>
President	District General Manager	Daniel R. York
Vice President	District Assistant General Manager	Michael J. Huot
Secretary	District Executive Assistant to the GM	Heather A. Hernandez-Fort
Chief Financial Officer	District Treasurer	Daniel A. Bills
Legal Counsel	District Legal Counsel	Joshua M. Horowitz; Bartkiewicz, Kronick & Shanahan

As opposed to Directors, staff members are appointed to these positions for convenience and efficiency in operating the Corporation. The appointees proposed for the respective positions are

Amended Appointment of Officers for 2018

June 13, 2018

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the current employees of the District who hold the positions of General Manager, Assistant General Manager, District Treasurer and District Executive Assistant to the General Manager. It is recommended that Joshua Horowitz be reconfirmed as the counsel of record from the firm of Bartkiewicz, Kronick & Shanahan.

The Corporation Bylaws state that officers are chosen annually.

**Fiscal Impact:**

None.

## Sacramento Suburban Water District Financing Corporation

### **Agenda Item: 3**

**Date:** July 11, 2018

**Subject:** Sacramento Suburban Water District Financing Corporation Bylaws

**Staff Contact:** Daniel A. Bills, SSWD Financing Corporation Chief Financial Officer

**Recommended Board Action:**

Review, comment and readopt Corporate Bylaws.

**Discussion:**

At the request of the Board, the Chief Financial Officer and Legal Counsel have reviewed the Bylaws and have no recommended changes at this time.

**Fiscal Impact:**

None.

**BYLAWS OF THE  
SACRAMENTO SUBURBAN WATER DISTRICT  
FINANCING CORPORATION**

ARTICLE I.

NAME, ORGANIZATION AND PURPOSE,  
PRINCIPAL OFFICE

Section 1.1. Name. The name of this corporation is SACRAMENTO SUBURBAN WATER DISTRICT FINANCING CORPORATION (the “Corporation”).

Section 1.2. Organization, Purpose and Use of Funds. The Corporation is a nonprofit public benefit corporation organized under the California Nonprofit Public Benefit Corporation Law, Corporations Code sections 5110-6910 (the “Law”) for the purposes described in its Articles of Incorporation, as they may be amended and restated from time to time (“Articles”), and the activities of the Corporation shall be limited to those activities described therein. No gains, profits or dividends shall be distributed to any of the directors or officers of the Corporation, and no part of the net earnings, funds or assets of the Corporation shall inure to the benefit of any director, officer or individual or any other person, firm or corporation excepting only the Agencies or the United States of America, the State of California, or any municipal corporation or political subdivision thereof, or to a nonprofit fund, foundation or corporation as further described in the Articles.

Section 1.3. Principal Office. The principal office of the Corporation is located at the office of the Sacramento Suburban Water District, 3701 Marconi Avenue, Suite 100, Sacramento, California 95821. The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another in Sacramento, California. Any such change shall be noted by the Secretary opposite this section, but shall not be considered an amendment to these Bylaws.

ARTICLE II.

MEMBERSHIP

Section 2.1. As provided in Section 5310 of the Law, the Corporation shall have no members. Any action that would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board of Directors. All rights that would otherwise vest in the members shall vest in the Board of Directors.



## ARTICLE III.

### BOARD OF DIRECTORS

Section 3.1. Powers. Subject to the duties of Directors and limitations imposed by the Law, the Articles and these Bylaws, the Directors, as they deem fit, shall exercise all powers and control all business and affairs of the Corporation. The Board of Directors may delegate the management of the Corporation's activities to any person or persons, management company or committee, provided, however, that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors. No Director shall be responsible for any error in judgment or for anything that he or she may do or refrain from doing in good faith. Without prejudice to the Board's general powers and authority to conduct and control all of the Corporation's affairs subject to the above-described limitations, the Board shall have the following express powers:

- (a) To select and remove all other officers, agents and employees of the Corporation, prescribe such powers and duties for them that are consistent with law, the Articles and these Bylaws, fix their compensation and require from them security for faithful service.
- (b) As they deem best, to conduct, manage and control the affairs and business of the Corporation and to make rules and regulations for such activities that are consistent with law, the Articles and these Bylaws.
- (c) To borrow money and incur indebtedness for the Corporation's purposes, and to cause to be executed and delivered in the Corporation's name therefor, promissory notes, bonds, certificates of participation, debentures, deeds of trust, mortgages, pledges, hypothecation or other evidences of debt and securities, and to establish funds and make other provisions for the payment of such indebtedness and interest thereon.
- (d) Consistent with law, the Articles and these Bylaws, the Board of Directors, on behalf of the Corporation and in furtherance of its proper purposes, may make loans to, enter into leases or subleases with, or otherwise enter into agreements with, any person, and may take such collateral or other security with respect thereto and may otherwise act or enter into other agreements in connection therewith.

Section 3.2. Number of Directors. The members of the board of directors of the Sacramento Suburban Water District ("District") shall serve ex-officio as the members of the Corporation's Board of Directors. The number and composition of the Corporation's Board of Directors shall be adjusted without further amendment or action to reflect the number and composition of the District board of directors, as its membership may change from time to time.

Section 3.3. Selection and Term of Office. Except as hereinafter provided and in accordance with Section 5220 of the Law, each member of the Corporation's Board of Directors shall hold office for a term concurrent with such Director's term as a member of the District board of directors. Unless a vacancy in the office occurs as herein provided, the Director shall hold office until the expiration of his or her term and until a successor has been designated and

has accepted the office. No Director of the Corporation may be removed from office so long as such Director remains a member of the District board of directors.

Section 3.4. Vacancies. Subject to Section 5226 of the Law, any Director may resign effective upon giving written notice to the President, Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation's effectiveness. If the resignation is effective at a future time, a successor may be selected before such time to take office when the resignation becomes effective. A vacancy in the Board of Directors shall be deemed to exist in the case of death, resignation, loss of requisite District office, expiration of a Director's term, or removal of any Director, or if the authorized number of Directors is increased. A vacancy shall be filled by the District director succeeding the Director whose office is vacant.

Section 3.5. Place of Directors' Meetings. Meetings of the Board of Directors shall be held at the principal office of the Corporation, unless a different place is designated in the notice of such meeting.

Section 3.6. Annual Meeting. The Corporation's Board of Directors shall hold an annual meeting for the purpose of organization, selection of officers and the transaction of other business. Subject to section 3.11, annual meetings shall be held without call or notice in the meeting room at the Corporation's principal office beginning one-half hour before the regularly scheduled meeting of the District board of directors in January of each year, provided, however, should the appointed day fall on a holiday observed by the Corporation, then the annual meeting shall be held at the same time at the next regularly scheduled meeting of the District board of directors.

Section 3.7. Regular Meetings. The Board of Directors by resolution may provide for the holding of regular meetings and may fix the time and place of holding such meetings.

Section 3.8. Special Meetings. Special meetings of the Board of Directors may be called in accordance with Section 5211(a) of the Law and section 3.11 hereof.

Section 3.9. Adjourned Meetings; Notice. The Board of Directors, or less than a quorum thereof, may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided herein, the resulting adjourned regular meeting is a regular meeting for all purposes.

Section 3.10. Quorum and Manner of Action. A majority of the Board of Directors shall constitute a quorum for the transaction of business by the Board of Directors. No action may be taken by the Board of Directors except upon the affirmative vote of a majority of the members. Every act or decision done or made by a quorum present at a duly held meeting shall be deemed an act of the Corporation Board of Directors unless any law, the Articles or these Bylaws require greater than a quorum to act.

Section 3.11. Brown Act Notice; Conduct of Meetings. All meetings of the Board of Directors shall be called, noticed, held and conducted subject to the Ralph M. Brown Act, commencing at California Government Code section 54950. The President or, in his or her absence, the Vice President, or a Chairperson chosen by a majority of the Directors present, shall preside at all meetings of the Board of Directors.

Section 3.12. Compensation of Directors. No member of the Board of Directors shall be entitled to receive any compensation for serving as a director or as an officer of the Corporation, except that any director or officer may be reimbursed for reasonable expenses duly incurred in the performance of his or her duties as director or officer of the Corporation upon approval of the Board of Directors.

Section 3.13. Indemnification. To the fullest extent permitted by law, the Board of Directors may authorize indemnification by the Corporation of any person who is or was a director, officer, employee or other agent of the Corporation, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a director, officer, employee or other agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Corporation, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

## ARTICLE IV.

### OFFICERS

Section 4.1. Number and Qualifications. The officers of the Corporation shall be a President, a Vice President, a Chief Financial Officer and a Secretary and such subordinate officers, including one or more additional Vice Presidents, one or more Assistant Secretaries and Assistant Chief Financial Officers, as the Board of Directors may appoint. Neither the Secretary nor the Chief Financial Officer may serve concurrently as the President.

Section 4.2. Election, Term of Office. The officers shall be chosen annually by the Board of Directors and each officer shall hold office until his or her successor shall have been appointed and qualified, or until the death, resignation or removal of such officer.

Section 4.3. Resignation and Removal. Any officer may resign at any time by giving written notice to the President or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein. A majority of the Board of Directors may at any time remove any officer, with or without cause.

Section 4.4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for

regular appointment to such office, provided, however, that the President may fill such a vacancy until appointment by the Board of Directors.

Section 4.5. President. The President shall be the chief executive officer of the Corporation and shall have general supervision over the business of the Corporation, subject to the control of the Board of Directors. The President may sign and execute, in the name of the Corporation, deeds, mortgages, leases, bonds, contracts and other instruments duly authorized by the Board of Directors, and generally shall perform all duties incident to the office of President and such other duties as may from time to time be assigned to such office by the Board of Directors or the Bylaws. The President shall preside at all meetings of the Board of Directors, and may submit such recommendations and information as he or she may consider proper concerning the business, affairs and policies of the Corporation.

Section 4.6. Vice President. At the request of the President or in case of his or her absence or disability, the Vice President shall perform all duties of the President and, when so acting, shall have all the powers of, and be subject to all restrictions upon, the President. In addition, the Vice President shall perform such other duties as may from time to time be assigned to that office by the Board of Directors, the President or the Bylaws.

Section 4.7. Secretary. The Secretary shall:

- (a) Certify and keep at the office of the Corporation, or at such other place as the Board of Directors may order, the original or a copy of the Articles of Incorporation and these Bylaws, as amended or otherwise altered;
- (b) Keep at the office of the Corporation, or at such other place as the Board of Directors may order, a book of minutes of all meetings of Directors, recording therein the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present, and the proceedings thereat;
- (c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- (d) Be custodian of the records and seal of the Corporation;
- (e) Exhibit at all reasonable times to any Director or member of the public the Articles, these Bylaws, the minutes of the proceedings of the Directors of the Corporation, and all other public records of the Corporation; and
- (f) In general, perform all duties of the office of Secretary and such other duties as may from time to time be assigned to such office by the Board of Directors or the President.

Section 4.8. Chief Financial Officer. Subject to the provisions of the proceedings authorizing any debt or other obligation of the Corporation which may provide for a trustee to receive, have the custody of and disburse Corporation funds, the Chief Financial Officer shall

receive and have charge of all funds of the Corporation and shall disburse such funds only as directed by the Board of Directors. The Chief Financial Officer shall keep and maintain adequate and correct books of account showing the Corporation's receipts and disbursements, and an account of its cash and other assets, if any. The Chief Financial Officer shall at all reasonable times make such books of account open for inspection by any Director, and upon request, shall render to the Board of Directors or President statements of the Corporation's financial condition. The Chief Financial Officer also shall perform all duties incident to the office of Chief Financial Officer and such other duties as may from time to time be assigned to such office by the Board of Directors or the President. The Chief Financial Officer shall have the additional title of "Treasurer."

Section 4.9. Subordinate Officers. Subordinate officers shall perform such duties as shall be prescribed from time to time by the Board of Directors or the President.

## ARTICLE V.

### DISSOLUTION

Section 5.1. The Corporation shall not be voluntarily dissolved, except with the prior written consent of the Board of Directors. In the event of dissolution of the Corporation in any manner and for any cause, after payment or adequate provision for the payment of all of its debts and liabilities, all of the remaining funds, assets and properties of the Corporation shall be paid or distributed as provided in the Articles.

## ARTICLE VI.

### MISCELLANEOUS

Section 6.1. Execution of Documents. The Board of Directors may authorize any officer or officers as agent or agents to enter into any contract or execute any instrument in the name of or on behalf of the Corporation. Such authority may be general or limited. Unless so authorized by the Board of Directors, no officer, agent or other person shall have any power and authority to bind the Corporation by any contract or engagement or to pledge its credit or so render it liable for any purpose or to any amount.

Section 6.2. Fiscal Year. The fiscal year of the Corporation shall begin on January 1 and end on December 31 of each year; provided, however, that the Corporation's fiscal year is intended to run concurrently with the District's fiscal year. The Chief Financial Officer may adopt any subsequent change of the District's fiscal year as the Corporation's by noting such change opposite this section, and such change shall not be considered an amendment to these Bylaws.

Section 6.3. Annual Report. As provided in Section 6321 of the Law, the Corporation may in any applicable year dispense with the annual report otherwise required by the said statute.

Section 6.4. Construction and Definitions. Unless otherwise provided herein, by context or in the Articles, the general provisions, rules of construction and definitions contained in the Law shall govern the construction of these Bylaws. If any section, subsection or portion of these Bylaws, or their application, is contrary to the Law, the provisions of the Law will prevail.

ARTICLE VII.

AMENDMENT OF BYLAWS AND  
ARTICLES OF INCORPORATION

Section 7.1. Amendment of Bylaws. Any of these Bylaws may be amended or repealed, and new Bylaws may be adopted, by the affirmative vote of a majority of the members of the Board of Directors. No such amendment, repeal or new Bylaws will become effective until so approved.

Section 7.2. Amendment of Articles of Incorporation. The Articles of Incorporation of the Corporation may be amended and/or restated by the affirmative vote of a majority of the members of the Board of Directors. No such amendment and/or restatement shall become effective until so approved and accepted for filing by the California Secretary of State.

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SECRETARY'S CERTIFICATE

The undersigned hereby certifies that he or she is the Secretary of the Sacramento Suburban Water District Water District Financing Corporation, a California nonprofit public benefit corporation; that attached hereto is a true, correct and complete copy of the Bylaws of said Corporation; and that said Bylaws are in full force and effect as of the date hereof.

Dated: ~~January 28, 2008~~ July 16, 2018

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~~Janet L. Gentry~~ Heather A. Hernandez-Fort  
Secretary, Sacramento Suburban Water District  
Financing Corporation

[SEAL]

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