

RESOLUTION NO. 07-2011

A RESOLUTION OF THE GOVERNING BOARD OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY APPROVING A COMMITMENT LETTER WITH BBVA COMPASS TO REFINANCE THE AGENCY'S OUTSTANDING DEBT AND AUTHORIZING CERTAIN OTHER ACTIONS RELATING THERETO

WHEREAS, the Big Bear Area Regional Wastewater Agency ("BBARWA"), has previously entered into (i) an Installment Purchase Agreement dated as of November 1, 1998, by and between BBARWA and the Association of Bay Area Governments under which BBARWA incurred an obligation in the initial principal amount of Two Million Seven Hundred Forty-Thousand Dollars (\$2,740,000) (the "1998 Installment Purchase Agreement"), and (ii) Loan Agreement #05-099-AF dated as of December 1, 2006, by and between BBARWA and Municipal Finance Corporation, under which BBARWA borrowed Five Million One Hundred Thirty-Nine Thousand Five Hundred Dollars (\$5,139,500) (the "2006 Loan" and referred to herein with the 1998 Installment Purchase Agreement as the "Outstanding Debt"); and

WHEREAS, the Outstanding Debt was incurred for the purpose of financing the acquisition and construction of capital improvements to BBARWA's wastewater system; and

WHEREAS, BBVA Compass has presented to BBARWA a proposal to refinance the Outstanding Debt at an interest rate of 3.30% per annum and upon other terms favorable to BBARWA; and

WHEREAS, the Governing Board of BBARWA hereby finds that the proposal submitted by BBVA Compass is beneficial to BBARWA and that staff should be authorized to accept the proposal and to proceed with refinancing the Outstanding Debt.

NOW, THEREFORE, THE GOVERNING BOARD OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Approval of Proposal. The Governing Board of BBARWA hereby accepts the terms of the proposal submitted to it by BBVA Compass dated September 23, 2011 (the "Proposal") and hereby authorizes and directs the General Manager or the Finance Manager to execute and deliver the Proposal for and on behalf of BBARWA, and to negotiate any additional terms that may be of benefit to BBARWA.

SECTION 2. Other Acts. The General Manager and the Finance Manager are, and each of them is, hereby authorized and directed to take any and all actions necessary or desirable to effectuate the refinancing of the Outstanding Debt and to otherwise effectuate the purposes of this Resolution, including, without limitation, the preparation and delivery of prepayment notices and the preparation of loan documents, and all other actions taken by the General Manager or the Finance Manager taken with respect thereto are hereby ratified and confirmed.

SECTION 3. Effective Date. This Resolution shall take effect upon the date of its adoption.

PASSED, ADOPTED, AND APPROVED this 28th day of September, 2011.

Rick Herrick, Chairperson of the Governing Board
Big Bear Area Regional Wastewater Agency

ATTEST:

Elizabeth Harris, Ed.D., Secretary of the Governing Board
Big Bear Area Regional Wastewater Agency