

RESOLUTION NO. 2017-2081

RESOLUTION OF THE BOARD OF DIRECTORS OF LAS GALLINAS VALLEY SANITARY DISTRICT AUTHORIZING THE EXECUTION OF A JOINT EXERCISE OF POWERS AGREEMENT WITH SAUSALITO-MARIN CITY SANITARY DISTRICT FOR THE PURPOSE OF ESTABLISHING THE MARIN PUBLIC FINANCING AUTHORITY

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with section 6500) of the California Government Code (the "JPA Act"), Las Gallinas Valley Sanitary District (the "District"), upon authorization by its Board of Directors, acting pursuant to the JPA Act, may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them;

WHEREAS, the District and Sausalito-Marín City Sanitary District desire to create and establish a joint exercise of powers authority to be known as the "Marin Public Financing Authority" (the "Authority") pursuant to the JPA Act;

WHEREAS, there has been presented to this meeting a proposed form of Joint Exercise of Powers Agreement (the "JPA Agreement"), by and between Sausalito-Marín City Sanitary District and the District, which agreement creates and establishes the Authority; and

WHEREAS, under California law and the JPA Agreement, the Authority will be a public entity separate and apart from the parties to the JPA Agreement and the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of the parties to the JPA Agreement or any representative of the Authority serving on the governing body of the Authority or any member of the Authority; and

WHEREAS, under the JPA Agreement each member will indemnify the Authority and the other member as to any costs or losses arising from a transaction undertaken by the Authority on behalf of such indemnifying member;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Las Gallinas Valley Sanitary District (the "Board") as follows:

Section 1. The Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The JPA Agreement, in substantially the form placed on file with this Board, is hereby approved. Any member of the Board and the General Manager, individually or severally, is hereby authorized and directed, for and on behalf of the District, to execute and deliver the JPA Agreement, in substantially said form, with such changes and insertions therein and as such signatory, with the advice of counsel to the District, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Board hereby appoints the General Manager of the District and the Administrative Services Manager of the District as members of the board of directors and officers of the Authority. The term of office of a person serving as a member of the board of directors and as an officer of the Authority shall terminate when such person ceases to hold his or her office at the District and the successor to such person shall become a member of the board and officer of the Authority, upon assuming such office.

Section 4. Any member of the Board is hereby authorized and directed, for and on behalf of the District, to take any and all other actions consistent with the purposes of this Resolution.

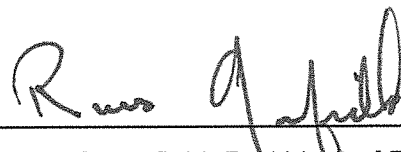
Section 5. The firm of Hawkins Delafield & Wood LLP, as bond counsel to the District, is hereby authorized and directed to cause to be prepared, executed and filed any and all reports, statements and other documents as may be required in order to implement the establishment of the Authority. District Counsel to the District shall serve as general counsel to the Authority.

Section 6. This Resolution shall take effect immediately upon its passage and adoption.

* * * * *


I hereby certify that the forgoing is a full, true, and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on the 12th day of January, 2017, by the following vote of the members thereof:

AYES, and in favor thereof Members: *Clark, Elias, Greenfield, Murray, Schrieblman.*
NOES, Members: *None.*
ABSENT, Members: *None.*
ABSTAIN, Members: *None.*



Russ Greenfield, President of Board of Directors

Attest:



Teresa Lerch, District Secretary

(seal)



JOINT EXERCISE OF POWERS AGREEMENT

by and between

LAS GALLINAS VALLEY SANITARY DISTRICT

and

SAUSALITO-MARIN CITY SANITARY DISTRICT

creating the

MARIN PUBLIC FINANCING AUTHORITY

January 24, 2017

JOINT EXERCISE OF POWERS AGREEMENT

This **JOINT EXERCISE OF POWERS AGREEMENT**, dated January 24, 2017, by and between **LAS GALLINAS VALLEY SANITARY DISTRICT**, a sanitary district organized and existing under and by virtue of the laws of the State of California (“LGVSD”), and **SAUSALITO-MARIN CITY SANITARY DISTRICT**, a sanitary district organized and existing under and by virtue of the laws of the State of California (“SMCSD”).

DECLARATION OF PURPOSE

A. Chapter 5 of Division 7 of Title 1 of the California Government Code (the “JPA Act”) authorizes LGVSD and SMCSD to create a joint exercise of powers entity which has the power to exercise any powers common to LGVSD and SMCSD and to exercise additional powers granted to such entity under the JPA Act. This Agreement creates a joint exercise of powers entity, which shall be known as the Marin Public Financing Authority (the “Authority”) for the purposes and to exercise the powers described herein.

B. LGVSD and SMCSD are authorized to buy, sell, lease and use property and to incur indebtedness for public purposes pursuant to the laws of the State of California.

C. Article 4 of the JPA Act (known as the “Marks-Roos Local Bond Pooling Act of 1985”) authorizes and empowers the Authority to issue bonds and to purchase bonds issued by, or to make loans to, LGVSD or SMCSD for financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, as determined by LGVSD or SMCSD. The Marks-Roos Local Bond Pooling Act of 1985 further authorizes and empowers the Authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale.

TERMS OF AGREEMENT

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

“Agreement” shall mean this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Authority.

“Authority” shall mean the Marin Public Financing Authority created by this Agreement.

“Board” or “Board of Directors” shall mean the governing board of the Authority.

“Bonds” shall mean bonds and any other evidence of indebtedness of the Authority authorized and issued pursuant to the JPA Act.

“By-Laws” shall mean the bylaws, rules and regulations of the Authority as provided in Section 4(c)(5) hereof.

“Indenture” shall mean each indenture, trust agreement or other such instrument pursuant to which Bonds are issued or other obligations are incurred.

“JPA Act” shall mean Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended.

“LGVSD” shall mean the Las Gallinas Valley Sanitary District, a sanitary district organized and existing under the laws of the State.

“Member” or “Members” shall mean LGVSD and/or SMCSO, as appropriate.

“SMCSO” shall mean the Sausalito-Marín City Sanitary District, a sanitary district organized and existing under the laws of the State.

“State” shall mean the State of California.

Section 2. Purpose. This Agreement is made pursuant to the JPA Act for the purpose of assisting the financing and refinancing of public capital improvement projects of a Member by exercising the powers referred to in this agreement and shall benefit no other entity. Any Bonds issued by the Authority shall be solely for projects benefiting a Member.

Section 3. Term. This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated by a supplemental agreement of the Members; *provided, however*, that in no event shall this Agreement terminate while any Bonds remain outstanding under the terms of any Indenture.

Section 4. The Authority.

(a) *Creation of the Authority.* There is hereby created pursuant to the JPA Act an authority and public entity to be known as the “Marín Public Financing Authority.” As provided in the JPA Act, the Authority shall be a public entity separate from the Members. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Members.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State in the manner set forth in sections 6503.5 of the JPA Act. Such notice shall also be filed with the office of the State Controller.

(b) *Governing Board.* The Authority shall be administered by the Board which shall consist of two members appointed by each Member. The By-Laws of the Authority may provide that such members of the Board may be elected directors, officers or employees of a Member. The term of office as a member of the Board shall terminate when the holder of the position at such Member ceases to hold such position and the successor to such position shall become a member of the Board, upon assuming such office.

Members of the Board shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a

member if the Board determines that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

(c) *Meetings of Board.*

(1) *Time and Place.* The regular meetings of the Board shall be as provided in the By-Laws or a resolution of the Authority. The Authority shall hold an annual meeting.

(2) *Legal Notice.* All regular and special meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code), or any successor legislation hereafter enacted.

(3) *Minutes.* The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as practicable after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the Members.

(4) *Quorum and Voting of the Board.* A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time. Any action or decision of the Authority shall be on motion duly approved by a majority of the members of the Board at a lawfully held meeting.

(5) *Bylaws.* The Board may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings as are necessary for the purposes hereof (the "By-Laws").

(d) *Officers; Duties; Bonds.*

(1) The officers of the Authority shall be the President, Vice President, Secretary and Treasurer. The officers of the Authority shall be the persons specified in the By-Laws and shall have the powers vested in them pursuant to such By-Laws and such other powers as may be granted by the Board from time to time by resolution. The By-Laws of the Authority shall provide that such officers of the Authority may be elected directors, officers or employees of a Member.

(2) The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority.

(3) The services of the officers shall be without compensation by the Authority, the Members will provide such other administrative services as required by the Authority, and shall not receive economic remuneration from the Authority for the provision of such services.

(4) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

(5) All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activities of officers, agents or employees of the Members when performing their respective functions within the territorial limits of their respective Member, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

(6) None of the officers, agents or employees, if any, directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any Member or, by reason of their employment by the Authority, to be subject to any of the requirements of any Member.

(7) The Members hereby confirm their intent and agree that, as provided in the JPA Act, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Members.

(8) The Authority or one of the Members shall cause all records regarding the Authority's formation, existence, operations, any Bonds issued by the Authority, obligations incurred by it and proceedings pertaining to its termination to be retained for at least 6 years following termination of the Authority or final payment of any Bonds issued by the Authority, whichever is later.

Section 5. Powers. The Authority shall have any and all powers that are common powers of the Members, and the powers separately conferred by law upon the Authority. All such powers, whether common to the Members or separately conferred by law upon the Authority, are specified as powers of the Authority except any such powers that are specifically prohibited to the Authority by applicable law. The Authority's exercise of its powers is subject to the restrictions upon the manner of exercising the powers of a sanitary district.

The Authority is hereby authorized, in its own name, to do all acts necessary or convenient for the exercise of its powers, including, but not limited to, any or all of the following: to sue and be sued; to make and enter into contracts; to employ agents, consultants, attorneys, accountants, and employees; to acquire, hold or dispose of property, whether real or personal, tangible or intangible, wherever located; to issue Bonds or otherwise incur debts, liabilities or obligations to the extent authorized by the JPA Act or any other applicable provision of law and to pledge any property or revenues or the rights thereto as security for such Bonds and other indebtedness.

Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the JPA Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Section 2 hereof.

Section 6. Termination of Powers. The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement in accordance with Section 3 hereof.

Section 7. Fiscal Year. Unless and until changed by resolution of the Board, the fiscal year of the Authority shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the date of this Agreement to June 30, 2017.

Section 8. Disposition of Assets. Upon termination of this Agreement pursuant to Section 3 hereof, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority shall be returned in proportion to any contributions made as required by section 6512 of the JPA Act. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. After rescission or termination of this Agreement pursuant to Section 3 hereof, all property of the Authority, both real and personal, shall be distributed to the Members, subject to Section 9 hereof.

Section 9. Contributions and Advances. Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by a Member for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance made in respect of a revenue-producing facility shall be made subject to repayment, and shall be repaid, in the manner agreed upon by such Member and the Authority at the time of making such advance as provided by section 6512.1 of the JPA Act. It is mutually understood and agreed that no Member has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though either may do so. The Members may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Authority.

Section 10. Bonds.

(a) *Authority To Issue Bonds.* When authorized by the JPA Act or other applicable provisions of law and by resolution of the Board, the Authority may issue Bonds for the purpose of raising funds for the exercise of any of its powers or to otherwise carry out its purposes under this Agreement, under such terms and conditions as may be authorized by the Board.

(b) *Bonds Are Limited Obligations.* The Bonds, including the principal and any purchase price thereof, and the interest and premium, if any, thereon, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds and other assets pledged therefor under the applicable Indenture(s) and shall not constitute a charge against the general credit of the Authority. The Bonds shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or any of its income or receipts except the property, income and receipts pledged therefor under the applicable Indenture(s). The Bonds shall not constitute a debt, liability or obligation of the State or any public agency thereof, including the Members, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State or any public agency thereof, including the Members, shall be pledged to the payment of the principal or purchase price of, or the premium, if any, or interest on the Bonds nor shall the State or any

public agency or instrumentality thereof, including the Members, in any manner be obligated to make any appropriation for such payment. The Authority has no taxing power.

No covenant or agreement contained in any Bond or Indenture shall be deemed to be a covenant or agreement of any director, officer, agent or employee of the Authority, in his or her individual capacity and no director or officer of the Authority executing a Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance of such Bond.

Section 11. Agreement not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of any other agreements between the Members, except as the terms of this Agreement may conflict therewith, in which case the terms of this Agreement shall prevail.

Section 12. Accounts and Reports. All funds of the Authority shall be strictly accounted for in books of account and financial records maintained by the Authority, including a report of all receipts and disbursements. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles and by each Indenture for outstanding Bonds (to the extent such duties are not assigned to a trustee for owners of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by the Members and their representatives.

The Authority shall require that each Indenture provide that the trustee appointed thereunder shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of such Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out the requirements of this Section 12.

(a) *Audits.* The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority in compliance with the requirements of the JPA Act. Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section 12, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

(b) *Audit Reports.* The Treasurer of the Authority, as soon as practicable after the close of each Fiscal Year but in any event within the time necessary to comply with the requirements of the JPA Act shall file a report of the audit as required by the JPA Act and shall send a copy of such report to public entities and persons in accordance with the requirements of the JPA Act.

Section 13. Funds of the Authority; Costs and Expenses of the Authority. Subject to the provisions of each Indenture for outstanding Bonds providing for a trustee to receive, have custody of and disburse funds which constitute Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to accounting procedures approved by the Board and shall make the disbursements required by this Agreement or otherwise necessary to carry out the provisions and purposes of this Agreement.

Subject to Section 22, and unless otherwise determined by the Board, all costs and expenses of the Authority, including but not limited to fees of the Authority's accountants, financial advisors, or attorneys, shall be shared equally by all the Members of the Authority.

Section 14. Conflict of Interest Code. The Authority shall at all times be governed by any conflict of interest code adopted by and applicable to LGVSD.

Section 15. Breach. If default is made by a Member in any covenant contained in this Agreement, such default shall not excuse any Member from fulfilling its obligations under this Agreement and the Members shall continue to be liable for the payment of contributions and the performance of all conditions herein contained. The Members hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and the Members hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the Members. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

Section 16. New Members and Withdrawal. New Members may join the Authority by an amendment to this Agreement providing for their membership in the Authority. No Member may withdraw from this Agreement prior to the end of the term of this Agreement determined in accordance with Section 3.

Section 17. Effectiveness. This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of the Members when each party has executed a counterpart of this Agreement

Section 18. Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

Section 19. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the Members. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

Section 20. Amendment of Agreement. This Agreement may be amended by supplemental agreement executed by the Members at any time; provided, however, that this Agreement may be terminated only in accordance with Section 3 hereof and, provided further, that such supplemental agreement shall be subject to any restrictions contained in any Bonds or documents related to any Bonds to which the Authority is a party.

Section 21. Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of a Member, by resolution duly adopted by the board of directors of such Member, and, in the case of the Authority, by resolution duly adopted by the Board. Any consent or approval required under this Agreement shall not be unreasonably withheld.

Section 22. Indemnity. To the extent that liability is imposed or a claim is made on the Authority and/or one or more Members, for any reason whatsoever notwithstanding Section 4(a) hereof and the JPA Act, directly or indirectly arising out of a transaction undertaken by or for the benefit of a Member (the "Indemnifying Member") in connection with the activities of the Authority, the Indemnifying Member shall indemnify, defend and hold harmless the Authority and the other Member or Members (the "Indemnified Parties") and such officers, directors, employees, members and agents of such Indemnified Parties from and against any and all costs, expenses, losses, claims, damages and liabilities arising out of or in connection with the activities of the Authority. An Indemnified Party may elect to defend itself in any such action with counsel of its choice, the reasonable fees of such counsel to be paid by the Indemnifying Member. Notwithstanding the provisions of section 895.6 of the Government Code of the State, no Member shall have any right to contribution from other Members.

Section 23. Waiver of and Indemnity for Personal Liability. No member, officer or employee of the Authority or the Members shall be individually or personally liable for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of the Authority or the actions undertaken pursuant to this Agreement, and each Member shall defend such members, officers or employees that are appointed by such Member against any such claims, losses, damages, costs, injury and liability. Without limiting the generality of the foregoing, no member, officer or employee of the Authority or of any Member shall be personally liable on any Bonds or be subject to any personal liability or accountability by reason of the issuance of Bonds pursuant to the JPA Act and this Agreement. To the full extent permitted by law, each Member shall provide for indemnification of any person who is or was a member of the Board, or an officer, employee or other agent of the Authority that is appointed by such Member, 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 member of the Board, or an officer, employee or other agent of the Authority, 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 the course and scope of his or her office, employment or agency. In the case of a criminal proceeding, each Member may provide for indemnification and defense of a member of the Board, or an officer, employee or other agent of the Authority that is appointed by such Member to the extent permitted by law. The foregoing indemnification by a Member in this Section 23 is intended to be reimbursed as appropriate by the indemnity of other Members provided under Section 22.

Section 24. Notices. Notices to a Member hereunder shall be sufficient if delivered to the General Manager of the Members.

Section 25. Miscellaneous.

(a) *Section Headings*. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

(b) *Execution in Counterparts*. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

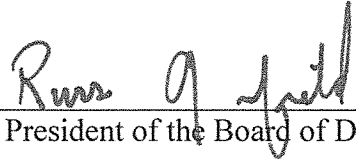
(c) *Exercise of Duties and Actions.* Where reference is made to duties to be performed for the Authority by a public official or employee, such duties may be performed by that person's duly authorized deputy or assistant. Where reference is made to actions to be taken by a Member, such action may be exercised through the officers, staff or employees of a Member, in the manner provided by law.

(d) *Governing Law.* This Agreement is made in the State, under the Constitution and laws of the State and is to be construed as a contract made and to be performed in the State.

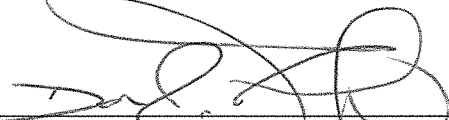
(e) *Entire Agreement.* This Agreement is the complete and exclusive statement of the agreement among the Members with respect to the subject matter hereof, which supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, as of the day and year first above written.

LAS GALLINAS SANITARY DISTRICT

By 
President of the Board of Directors

SAUSALITO-MARIN CITY SANITARY DISTRICT

By 
President of the Board of Directors

