

**BEFORE THE BOARD OF EDUCATION
WILLOWS UNIFIED SCHOOL DISTRICT
COUNTY OF GLENN, STATE OF CALIFORNIA**

RESOLUTION #2013-14-11

**RESOLUTION CALLING FOR AN ELECTION AUTHORIZING THE ISSUANCE OF
GENERAL OBLIGATION BONDS OF THE DISTRICT TO BE HELD JUNE 3, 2014**

WHEREAS, the Board of Education (the “Board”) of the Willows Unified School District (the “District”), within the County of Glenn, California (the “County”), is authorized to order elections within the District for the purpose of considering, *inter alia*, bond measures to meet the ongoing capital improvement needs of the District, pursuant to the Constitution of the State of California (the “State”) and the Education Code of the State (the “Education Code”); and

WHEREAS, Section 18 of Article XVI and Section 1 of Article XIII A of the Constitution of the State and Section 15264 *et seq.* of the Education Code (collectively, “Prop 39”) provide for a methodology by which the District may call for an election and, upon approval by 55% or more of the qualified voters voting on the bond measure, issue its general obligation bonds and cause the County to levy an *ad valorem* property tax to pay debt service on said bonds; and

WHEREAS, this Board has determined it to be in the best interests of the District to call such an election under Prop 39, as further described herein; and

WHEREAS, this Board has determined that the election to be conducted on June 3, 2014 (the “Election Date”) meets the consolidation requirements of the Education Code and any County or local measure or election may be consolidated with the statewide primary election then pending; and

WHEREAS, the Board wishes to specify the manner in which the District shall call a bond election on the Election Date and to demonstrate compliance with related requirements of the Constitution, the Education Code and the Elections Code of the State;

NOW, THEREFORE, be it hereby resolved, determined and ordered by the Board of Education of the Willows Unified School District as follows:

Section 1. Recitals. All of the foregoing recitals are true.

Section 2. Determination to Proceed under Prop 39. The provisions of Prop 39 shall control the administration of the election to consider the bond proposition of the District (the “Bond Proposition”), such that a favorable vote of no less than 55% of the qualified voters voting at the election shall constitute approval thereof, and the Board of Education of the District (the “Board”) hereby declares its intention to meet the pertinent requirements of Prop 39.

Section 3. Bond Proposition. This Board does hereby order and request that the Glenn County Assessor-Clerk-Recorder (herein called the “Clerk”) call an election (in the performance of her duties and in the exercise of her power, alone, or with the assistance of such other officers of the County as she may request) to consider the following proposition on June 3, 2014 (the “Bond Measure”), which constitutes the election order prescribed under California Education Code Section 15122 and Elections Code 13247:

“To improve the quality of education with funding that cannot be taken by the State; make health, safety, and handicapped accessibility improvements; upgrade inefficient heating, ventilation, and air-conditioning systems; update classroom computers, instructional technology and infrastructure; and modernize and renovate classrooms, restrooms and school facilities; shall the Willows Unified School District issue \$14 million of bonds at legal rates, have an independent citizens’ oversight committee and have NO money used for salaries, and all funds staying local?”

The Clerk is hereby requested to reprint the foregoing Bond Measure in its entirety in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. Pursuant to Section 18, Article XVI and Section 1, Article XIII A of the Constitution of the State, the foregoing Bond Measure shall become effective upon the favorable vote of no less than 55% of those qualified voters voting on the proposition.

Section 4. Consolidation of Bond Election; Services of County. Pursuant to Section 1258 of the Education Code, the Superintendent of the District is hereby authorized to contract with the Clerk, who is hereby requested and authorized to perform such duties as may be required by law, necessary or useful, or customary and appropriate in the conduct of said Bond Election, including the consolidation of the Bond Election with the general election within the territory of the District being conducted on the Election Date.

The precincts, polling places for said precincts in the County, and persons appointed and designated to serve as election officers for said Bond Election will be those determined, designated, and appointed pursuant to state law by the Clerk. The County is hereby requested to tally and canvass the returns of the election, in accordance with Section 10411 of the Elections Code. The District agrees to reimburse the County for all services related to the Bond Election, such services to include the publication of the Formal Notice and a Tax Rate Statement (described in Section 9401 of the Elections Code) pursuant to the terms of 5363 of the Education Code and Section 12112 of the Elections Code.

Section 5. Approval of Project List; Accountability Safeguards. The District has developed a list of certain capital projects which are a priority in order to meet the obligations of the District to provide education to the children of its residents, as more particularly identified on Exhibit A hereto, which is incorporated herein by this reference. Exhibit A is hereby certified by this Board as the Project List (the “Project List”) for funding, either in whole or in part, with the proceeds of the Bonds. This certification of the Project List shall not be interpreted by and does not constitute an official approval of any listed project for the California Environmental Quality Act (“CEQA”) or other purposes, but only as a statement of present intention of this Board. Furthermore, the listing of a capital improvement on the Project List does not imply any particular prioritization among such improvements, which remains the province of the Board by

subsequent action. Notwithstanding the foregoing, only those acquisitions and other capital improvements included on the Project List may be funded, in whole or in part, with the proceeds of the Bonds. Additional moneys may be obtained for listed projects, in supplementation of the Bond proceeds, from any lawful source of moneys.

The Board hereby confirms that it has, in the development of the Project List appended hereto, evaluated and taken into consideration safety, class size reduction and information technology needs.

Pursuant to Section 15278 *et seq.* of the Education Code, within 60 days following the certification by this Board of the official results of the Bond Election by the County, this Board is required to appoint a Citizens Oversight Committee (the "Committee") to insure the District's compliance with the foregoing restrictions and to perform the duties established under the Education Code for such committees. To assist the Committee in its statutory obligations, the District shall cause to be conducted an annual independent performance audit and an annual independent financial audit on the expenditure of Bond proceeds; the audits shall be performed under contract with appropriate persons or firms as shall be subsequently brought for approval before this Board. The financial audit may be consolidated with the annual audit of the District's financial statement and may be performed by the same accounting firm, without further approval by this Board.

The results of the annual audits performed hereunder shall be reported to the Board and to the Committee at least annually, and more often, if the Board shall so direct.

Section 6. No Administrators' or Teachers' Salaries to Be Paid from Bond Proceeds. In accordance with Prop 39, the Board hereby confirms that no administrators' or teachers' salaries shall be paid or reimbursed, in whole or in part, from Bond proceeds, nor shall such proceeds be used to pay any other operating expenses of the District. Notwithstanding the foregoing, costs of administering the Bond Election and costs of issuance of the Bonds shall be lawful charges against Bond proceeds.

Section 7. Other Terms of the Bonds. Terms of each series of Bonds issued following the Bond Election shall be established at the time of sale thereof, based on then-prevailing market conditions. The Bonds shall bear or accrete interest at rates not to exceed the legal maximum, presently being 12% per annum, and shall mature and be paid at various dates no later than 40 years following their date of issuance. The Bonds may be sold at a premium or discount consistent with law and shall be sold pursuant to negotiated sale.

Section 8. Approval of Election Consolidation; Delivery of Order of Election. The Clerk of the Board is hereby directed to deliver a copy of this Resolution to the Board of Supervisors of the County (the "Board of Supervisors") in order for the Board of Supervisors to approve the District's request to consolidate the Bond Election with the general election to be held on the Election Date within the County, such approval to occur no later than March 6, 2014. Following approval of consolidation by the Board of Supervisors, the Clerk of the Board is hereby directed to deliver, by no later than March 7, 2014, which is a date no less than 88 days prior to the date of the Bond Election, one certified copy of this Resolution to the Clerk, together with the Tax Rate Statement to be prepared by the District's Financial Advisor (appointed below) and executed by the Superintendent of the District.

Section 9. Ballot Arguments. The members of the Board, or any one member or group thereof, are hereby authorized, but not directed, to file a formal Argument in Favor of the Bond Measure given above, with the Clerk within the time limits established for such arguments by the Clerk.

Section 10. Retention of Consultants. The District hereby confirms the hiring of consultants to provide for special services in connection with the proposed issue(s) of Bonds which may be authorized at the Election, to wit, (i) the law firm of Matt Juhl-Darlington & Associates as Bond Counsel to the District ("Bond Counsel") and (ii) the financial advisory firm of Isom Advisors Inc., a division of Urban Futures Inc., as Financial Advisor to the District (the "Financial Advisor"), upon conditions as may be set forth in the respective fee agreements heretofore negotiated and executed on behalf of the District by the Superintendent. Payments of the fees and expenses of Bond Counsel and the Financial Advisor shall be paid from the proceeds of the Bonds of the District which may be authorized following a successful Bond Election, and not otherwise, unless this Board shall take further action.

Section 11. Reimbursement of Qualified Project Expenditures. The Board presently intends and reasonably expects to have tax-exempt obligations (the "Obligations") issued on its behalf within 18 months of the date of the expenditure of moneys on the Projects outlined in the foregoing Project List or the date upon which a Project is placed in service or abandoned, whichever is later (but in no event more than 3 years after the date the original expenditure of such moneys is paid), and to allocate an amount not to exceed 10% of the proceeds thereof to the reimbursable expenditures in connection with the Project, as may be qualified under the provisions of Section 1.150-2 of the Treasury Regulations of the Internal Revenue Service (the "Reimbursable Expenditures"). All of the Reimbursable Expenditures covered by this Resolution were paid not earlier than 60 days prior to the date of this Resolution. The Board intends to allocate within 30 days after the date of issue of the Obligations the proceeds therefrom to reimburse the District for the Reimbursable Expenditures. With respect to the proceeds of the Obligations allocated to reimburse the District for prior expenditures, the Board hereby covenants not to employ an abusive device under Treasury Regulation Section 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of replacement proceeds, as defined in Treasury Regulation Section 1.148-1, of the Obligations or another issuer of tax-exempt obligations.

The above provision is made solely for the purpose of establishing compliance with the requirements of said Section 1.150-2 of the Treasury Regulations. This provision does not bind the District or the Board to make any expenditure, incur any indebtedness, or proceed with the financing, acquisition or construction of the Project.

Section 12. Ratification. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Board and the District in connection with the financing of the facilities on the Project List are hereby ratified and confirmed. The officers and their designees, the employees and agents of the Board and the District are hereby authorized to take any and all actions in connection with the financing of said facilities and as may be necessary and consistent with the purposes of this Resolution.

Section 13. Authorization of Further Acts. The members of this Board, the Superintendent, any assistant thereto, and all other staff or officers of the District are hereby authorized and directed, individually and collectively, to do any and all things necessary or advisable in order to effectuate the purposes of this Resolution.

Effective Date. This Resolution shall take effect immediately upon its adoption by the Board.

PASSED AND ADOPTED this 6th day of February, 2014, by the Board of Education of Willows Unified School District, at Willows, California, by the following vote:

AYES: Members:

NOES: Members:

ABSENT: Members:

ABSTAIN: Members:

By: _____
President, Board of Education

I, _____, Clerk/Secretary of the Board of Education of the Willows Unified School District, County of Glenn, do hereby certify that the foregoing resolution was duly adopted by said Board at a meeting held at its regular meeting place on February 6, 2014, which action is contained in the minutes of the meeting of said Board.

ATTEST: _____
Clerk/Secretary, Board of Education

EXHIBIT A

BOND PROJECT LIST

Bond proceeds will be expended to modernize, replace, renovate, expand, construct, acquire, equip, furnish and otherwise improve the classrooms and school facilities of the District.

The specific school facilities projects to be funded include, but shall not be limited to:

- Make health and safety improvements throughout the District
- Update classroom computers, instructional technology and infrastructure
- Federal and State-mandated Americans with Disabilities Act (ADA) accessibility upgrades including site access, parking, staff and student restrooms, relocation of some existing electrical devices, drinking fountains, playground equipment, etc.
- Repair or replace outdated heating, ventilation and air conditioning systems with building code compliant, energy efficient systems
- Renovate, repair, construct and/or upgrade classrooms, restrooms and school facilities
- Repair or replace leaky roofs
- Make facility improvements to increase the District's energy efficiency, including installing energy efficient fixtures and utility upgrades to reduce energy costs
- Make security improvements throughout the District, such as installing fencing, cameras, lighting, and fire alarm systems
- Repair and upgrade roofs, walls, and floors
- Improve/upgrade Ag facilities for school and community use
- Repair/replace deteriorating plumbing and irrigation systems
- Replace temporary portable classrooms with permanent classrooms or renovate existing portable classrooms
- Upgrade school site parking, utilities and grounds
- Upgrade, renovate and equip labs, multipurpose rooms, classrooms, food service facilities, auditoriums, libraries, and other school facilities
- Replace existing wiring systems to meet current electrical and accessibility codes and increased capacity
- Federal and State-mandated Occupational Safety & Health Administration (OSHA) safety upgrades including playground equipment replacement, as necessary
- Abate and remove hazardous materials identified prior to or during construction
- Upgrade and improve P.E. fields and athletic facilities for school and community use
- Repair, replace and/or upgrade paved surfaces, turf, and other grounds to eliminate safety hazards and improve outside instructional areas