Resolution No. 19-195

RESOLUTION AUTHORIZING THE DURHAM UNIFIED SCHOOL DISTRICT TO ISSUE AND SELL BONDS WITHOUT FURTHER ACTION OF THE BOARD OF SUPERVISORS

WHEREAS, the issuance of not to exceed $19,700,000 aggregate principal amount of general obligation bonds (the “Authorization”) of Durham Unified School District (the “District”), County of Butte (the “County”), State of California was authorized at an election (the “Election”) held in said District on November 6, 2018, the proceeds of which are to be used for the financing of the acquisition, construction, equipping, furnishing and improvement of certain capital facilities of the District (the “Project”); and

WHEREAS, the Butte County Registrar of Voters has certified to the effect that the official canvass of returns for the Election reflected that 55% or more of the votes cast on the District’s bond measure submitted to the voters at the Election (the “Measure”) were cast in favor of the Measure, and such result has been entered in the minutes of the Board of Trustees of the District (the “Board”); and

WHEREAS, no general obligation bonds have been issued under the Authorization, such that $19,700,000 aggregate principal amount of general obligation bonds of the District remain for issuance under the Authorization; and

WHEREAS, Sections 53506 et seq. of the California Government Code, including Section 53508.7 thereof, provide that a school district may issue and sell bonds on its own behalf pursuant to Sections 15140 or 15146 of the California Education Code; and

WHEREAS, Section 15140(b) of the California Education Code provides that the board of supervisors of a county may authorize a school district over which the county superintendent of schools of such county has jurisdiction to issue and sell its own bonds without the further action of the board of supervisors or officers of the county if said school district has not received a qualified or negative certification in its most recent interim report; and

WHEREAS, the Board has heretofore adopted, and filed with the Clerk of the Board of Supervisors of the County (the “Board of Supervisors”), a resolution (the “District Resolution”) providing for the issuance and sale of its Durham Unified School District (County of Butte, California) General Obligation Bonds, 2018 Election, 2019 Series A (the “Bonds”), in one or more series, with appropriate additional or other series designations, in an aggregate principal amount not exceeding $7,000,000, pursuant to Sections 53506 et seq. of the California Government Code; and

WHEREAS, the District, through the District Resolution, has requested that the Board of Supervisors authorize the District to issue and sell the proposed Bonds on its own behalf pursuant to Sections 15140 and 15146 of the California Education Code, as permitted by Section 53508.7 of the California Government Code, and the terms set forth in the District Resolution, and has represented and warranted to the County that it has not received a qualified or negative certification in its most recent interim report; and

WHEREAS, the Board of Supervisors has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the Auditor-Controller of the County (the “Auditor-Controller”) to maintain on its tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedules for the Bonds that will be provided to the Auditor Controller by the District following the sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Butte does hereby resolve, determine and order as follows:

Section 1. Recitals. That all of the above recitals are true and correct.
Section 2. Consent and Authorization of Sale. The Board of Supervisors hereby consents to and authorizes the issuance and sale by the District on its own behalf of the Bonds, pursuant to Sections 15140 and 15146 of the California Education Code, as permitted by Section 53508.7(c) of the California Government Code, and the terms set forth in the District Resolution. This authorization shall only apply to the Bonds.

Section 3. Approval of Actions. Officers of the Board of Supervisors and County officials and staff, including, but not limited to, the Treasurer-Tax Collector, Auditor-Controller and the Clerk of the Board of Supervisors, and their respective designees, are authorized to do any and all things and are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents which they may deem necessary or advisable in order to assist the District with the issuance of the Bonds, including but not limited to, the levy of taxes annually in an amount sufficient to pay the principal and interest coming due on the Bonds. Such actions heretofore taken by such officers, officials and staff of the County are hereby ratified, confirmed and approved.

Section 4. Preparation of Tax Roll. The Auditor-Controller is hereby directed to place on its tax roll, and all subsequent tax rolls until the Bonds are paid in accordance with their terms, taxes in an amount sufficient to fulfill the requirements of the debt service schedules for the Bonds, which will be provided to the Auditor-Controller and Treasurer-Tax Collector by the District following the sale of the Bonds.

Section 5. Indemnification of County. The County acknowledges and relies upon the fact that the District Resolution provides that the District shall indemnify the County, its officers, agents and employees against any and all losses, claims, actions, suits, judgments, demands, damages, liabilities and expenses (including attorney fees and costs of investigation) of any nature arising out of any action or inaction of the District with respect to the issuance of the Bonds.

Section 6. Limited Responsibility for Official Statement. Neither the Board of Supervisors nor any officer of the County has prepared or reviewed the official statement of the District describing the Bonds (“Official Statement”), and the Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained, or to be contained, therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the Treasurer-Tax Collector, the Treasurer-Tax Collector is hereby authorized and directed to prepare and review such information for inclusion in the District’s Official Statement and in a Preliminary Official Statement prepared in connection with the issuance and sale of the Bonds.

Section 7. Limited Liability. Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the County nor the Board of Supervisors shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby and the Bonds shall be payable solely from the ad valorem property taxes of the District available therefore as set forth in the District Resolution and herein.

Section 8. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Butte County Board of Supervisors this 21st day of May, 2019, by the following vote:

AYES: Supervisors Connelly, Lucero, Ritter, Teeter, and Chair Lambert
NOES: None
ABSENT: None
NOT VOTING: None

Steve Lambert, Chair
Butte County Board of Supervisors

Shari McCracken, Chief Administrative Officer
and Clerk of the Board of Supervisors

By: (Deputy)