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JUL 28 2015

SUSAN M. RANOGAJAK
COUNTY CLERK-RECORDER

RESOLUTION NO. 15/16-01

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
POTTER VALLEY COMMUNITY UNIFIED SCHOOL DISTRICT
ORDERING A SCHOOL BOND ELECTION,
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER,
AND REQUESTING CONSOLIDATION WITH OTHER ELECTIONS**

WHEREAS, the Potter Valley Community Unified School District (the "District") Board of Trustees (the "Board") is authorized to order elections within the District and to designate the specifications thereof, pursuant to Education Code sections 5304 and 5322;

WHEREAS, the Board is further authorized to order elections, pursuant to Education Code sections 15264 *et seq.*, for the purpose of submitting to the electors the question of whether District bonds ("Bonds") shall be issued and sold for specified purposes;

WHEREAS, the Board deems it necessary and advisable to submit a bond measure to the electors that, if approved by the requisite number of electors voting on the measure, would permit the District to issue the Bonds; and

WHEREAS, it is desirable that the election to determine whether the Bonds shall be issued and sold be consolidated with such other election or elections as may be held on the same day in the same territory or in territory that is in part the same.

NOW, THEREFORE, the Board does hereby resolve, determine, and order as follows:

Section 1. Election Order; Ballot Measure. Pursuant to Education Code sections 5304, 5322 and 15264 *et seq.* and Article XVI, Section 18(b) of the California Constitution, an election shall be held within the boundaries of the District on November 3, 2015, submitting to the voters of the District the question of whether Bonds of the District in the amount of \$3,100,000 shall be issued and sold for the purposes of modernizing and improving District schools. Specifically, Bond proceeds shall be utilized for the purposes of financing the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing, and equipping of school facilities, or the acquisition or lease of real property for school facilities, all as identified in the full text of the ballot measure, set forth in **Exhibit A** attached hereto and incorporated herein by reference, under the heading "School Facilities Projects to Be Funded with Proceeds of Bonds" (the "Financed Facilities"). The Bonds proposed to be issued and sold shall bear interest at a rate not exceeding the statutory limit, and the number of years any Bonds are to run shall not exceed twenty-five (25) years from the date of the Bonds or the date of any series thereof in the event the Bonds are issued pursuant to Education Code section 15144, and shall not exceed forty (40) years from the date of the Bonds or the date of any series thereof in the event the Bonds are issued pursuant to Government Code section 54400.

Section 2. Use of Bond Proceeds; Facilities Specifications; Audit Requirements.

(a) **Use of Bond Proceeds.** Proceeds from the sale of the Bonds may be used only for the purposes specified in Article XIII A, Section 1(b)(3) of the California Constitution.

(b) Specification of Facilities. The Board hereby certifies that it evaluated safety, class size reduction, and information technology needs in developing the list of the Financed Facilities.

(c) Completion of Facilities. Passage of the District's bond measure does not guarantee that all Financed Facilities listed in the measure, as set forth in **Exhibit A**, will be completed. In addition, certain Financed Facilities projects may require state matching funds. State matching funds may be subject to appropriation by the Legislature or approval of a statewide bond measure.

(d) Performance Audit. The Board shall conduct an annual, independent performance audit to ensure that the Bond funds have been expended only on the specific Financed Facilities listed.

(e) Financial Audit. The Board shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of the proceeds have been expended for the Financed Facilities.

Section 3. Government Code Accountability Requirements. Pursuant to Government Code sections 53410 and 53411, the District hereby finds or directs that:

(a) Purpose. The purpose of the Bonds is to fund the Financed Facilities, as listed in **Exhibit A**;

(b) Proceeds. The bond proceeds shall only be used on the Financed Facilities;

(c) Accounts. All proceeds of the Bonds shall be placed in a separate account or accounts; and

(d) Annual Reports. The chief financial officer of the District shall issue an annual report to the Board containing the amount of funds collected and expended as well as the status of the Financed Facilities.

Section 4. Vote Required. Pursuant to Section 18(b) of Article XVI and Section 1 of Article XIII A of the California Constitution, the bond measure shall become effective only upon the affirmative vote of fifty-five percent (55%) of those voters voting on the measure.

Section 5. County Registrar of Voters to Conduct Election. Pursuant to Education Code section 5303, the Mendocino County (the "County") Registrar of Voters is hereby requested to take all steps to prepare for and hold the election within the boundaries of the District in accordance with law and these specifications.

Section 6. Consolidation with Other Elections. Pursuant to Sections 5342, 15121, and 15266 of the Education Code and Part 3 (commencing with Section 10400) of Division 10 of the Elections Code, the County Board of Supervisors is requested to order consolidation by the County Registrar of Voters of the school bond election with the other elections to be held on the same day in the same territory or in territory that is in part the same. Pursuant to Section 10403 of the Elections

Code, the Board hereby acknowledges that the consolidated election will be held and conducted in the manner prescribed by Section 10418 of the Elections Code.

Section 7. Canvass of Returns. The County Board of Supervisors is authorized to canvass the returns of the election pursuant to Section 10411 of the Elections Code.

Section 8. Services of Registrar of Voters. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the County Board of Supervisors is requested to permit the County Registrar of Voters to render all services incident to the preparation for and holding of the election, for which services the District agrees to reimburse the County with such services to include the publication of a notice of school bond election, and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code) pursuant to the terms of Section 5363 of the Education Code and the Elections Code.

Section 9. Abbreviated Statement of the Bond Measure. The abbreviated statement of the bond measure is included in **Exhibit A** under the heading "Abbreviated Ballot Measure." The District hereby requests the County Registrar of Voters to publish the abbreviated statement of the bond measure, as appropriate, and to designate the measure on the ballot by a letter printed on the left margin of the square containing the abbreviated statement of the measure as provided in Section 13116 of the Elections Code.

Section 10. Full Text of the Measure. The District hereby requests the Registrar of Voters to publish the full text of the measure set forth in **Exhibit A** in the ballot pamphlet materials as appropriate.

Section 11. Specifications of the Election Order. The foregoing specifications of the election order are made pursuant to Section 5322 of the Education Code.

Section 12. Delivery of Specifications of the Election Order. The District's Superintendent is hereby directed to deliver not later than July 28, 2015, a certified copy of this resolution and the tax rate statement to the County Registrar of Voters and a copy of this resolution to the County Board of Supervisors.

Section 13. General Authorization with Respect to the Bond Election. The members of the District's Board, the Superintendent and the other officers of the District are hereby authorized and directed, individually and collectively, to do any and all things, to execute, deliver, and perform any and all agreements and documents they deem necessary or advisable in order to effectuate the purposes of this Resolution, including, without limitation, to prepare and submit for inclusion in the voter information pamphlet a tax rate statement and an argument in favor of passage of the ballot measure. All actions heretofore taken by the officers and agents of the District that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respects.

Section 14. Encumbrance of Bond Funds. For the purpose of making bond funds unavailable as rent within the meaning of Education Code section 17032, the Board hereby encumbers all funds to be generated by the sale of the bonds in order to pay for the acquisition and construction of the Financed Facilities authorized by the ballot measure.

Section 15. State Matching Funds. Certain of the Financed Facilities require state matching funds for the completion of any phase thereof. Approval of the District's bond measure does not guarantee that the proposed Financed Facilities will be funded beyond the local revenues generated by the measure. The District's proposal for the Financed Facilities may assume receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.

Section 16. Citizens' Oversight Committee. It is the intent of the Board that a citizens' oversight committee be appointed to ensure that the proceeds of the Bonds are spent only for the specific purposes and projects identified in this Resolution. The membership requirements and operating procedures for such committee shall be established in the bylaws of such committee, as approved by the Board, in accordance with the requirements of law.

Section 17. Official Intent to Reimburse Expenditures. The District intends to undertake the acquisition, construction, renovation, furnishing, and equipping of the Financed Facilities projects as described in **Exhibit A**. The District intends to use the proceeds of its general obligation bonds described in this resolution to finance the Financed Facilities projects. The District may pay certain capital expenditures (the "Reimbursement Expenditures") in connection with the Financed Facilities projects prior to the issuance of the Bonds. The District reasonably expects that Bonds in an amount not expected to exceed \$3,100,000 will be issued by it for the purpose of financing the Financed Facilities projects on a long-term basis and that certain of the proceeds of such debt obligations may be used to reimburse the District for the Reimbursement Expenditures.

The Board hereby declares the District's official intent to use a portion of the proceeds of the Bonds to reimburse the District for the Reimbursement Expenditures. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2.

Section 18. Tax Rate Statement. The Board hereby approves the form of the tax rate statement attached hereto as **Exhibit B** and incorporated herein by reference. The District hereby requests the County Registrar of Voters to publish the tax rate statement contained in **Exhibit B**.

Section 19. Retention of Professional Service Firms. Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, is hereby appointed bond counsel to the District for the issuance and sale of the bonds. The Superintendent of the District is hereby authorized and directed to execute and deliver an agreement for services with that firm in the form submitted to this meeting.

Section 20. Effective Date. This Resolution shall take effect immediately upon its adoption.

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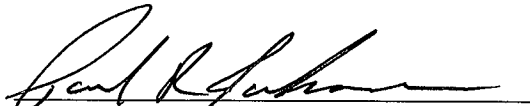
Resolution No. 15/16-01 of the Board of Trustees of the Potter Valley Community Unified School District Ordering a School Bond Election, Establishing Specifications of the Election Order, and Requesting Consolidation with Other Elections was **approved, passed, and adopted** on July 27, 2015, by the Potter Valley Community Unified School District Board of Trustees by the following vote:

AYES: Trustee Johnson, Blundell, Delbar, & Lindelef

NOES: None

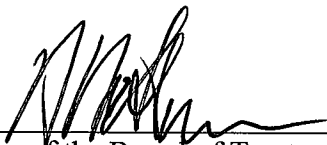
ABSTAIN: None

ABSENT: Trustee Riordan



President of the Board of Trustees
Paul Johnson

ATTEST:



Secretary of the Board of Trustees
Damon Dickinson

EXHIBIT A

FULL TEXT OF THE MEASURE

Upon the passage of Measure _____, the Potter Valley Community Unified School District (the "District") shall be authorized to issue bonds in the aggregate amount of \$3,100,000, bearing interest at rates not exceeding the statutory limit, for the purpose of funding the school facilities projects listed below under the heading "School Facilities Projects to Be Funded with Proceeds of Bonds" (the "Bond Project List").

Background

Potter Valley Elementary School was built in the 1950s, with some modernization occurring in the 1980s. Potter Valley Junior High School and Potter Valley High School were built in the late 1970s and completed in the 1980s. The Board of Trustees (the "Board") and administration recognize the need to modernize facilities so Potter Valley schools can meet the demands of current and future students. As a result, the District initiated a long-term planning process in 2013 and commissioned a report detailing all facilities needs. Said report is available for review at the District office and incorporated into the Bond Project list by this reference.

Proposition 39 Bond Accountability Measures

At its July 27, 2015 meeting, the Board certified that it evaluated safety, class size reduction, and information technology needs in developing the Bond Project List set forth below. The proceeds of the Bonds shall be used only for the projects identified in the Bond Project List, and not for any other purpose (i.e., teacher and administrative salaries and other school operating expenses).

The District will deposit the proceeds of the bonds in a separate account. The Board is bound to conduct financial and performance audits annually to account for the bond funds and to assure that funds have only been expended on the specific projects authorized. The District shall prepare and deliver an annual report to the Board containing the amount of funds collected and expended as well as the status of school facilities projects authorized to be funded by proceeds of the Bonds.

The Board will appoint a citizen's oversight committee (the "Committee") having a minimum of seven members and including at least one member active in a business organization representing the business community located within the District, one member active in a senior citizens' organization, one member active in a bona fide taxpayers' organization, one member who is the parent or guardian of a child enrolled in the District, and one member who is both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization.

All Bonds will be sold as current interest bonds, and the use of capital appreciation bonds will not be permitted.

School Facilities Projects to Be Funded with Proceeds of Bonds

The Board has prioritized projects and reviewed a plan to best utilize Measure ___ funds, which is also available for review at the District office and incorporated into this Bond Project List by this reference. Specifically, Measure ___ will provide funds for all or some of the following:

- Upgrade outdated electrical infrastructure.
- Create energy efficient classrooms with the capacity to use today's instructional technology and improve climate control.
- Make basic repairs, including needed roof replacement, fixing water-damaged ceilings, upgrading lighting, improving building exteriors, and replacing the water distribution system.
- Renovate middle school and high school restrooms.
- Improve infrastructure to increase energy efficiency and reduce operating costs.
- Install site improvements for accessibility and safety.
- If state funding becomes available, repair, upgrade, and modernize other student support facilities, including the gym, the cafeteria, food services, and playground and athletic facilities.
- Replace other equipment as required.
- Abate and remove hazardous materials identified prior or during construction.
- Address unforeseen conditions revealed by construction/modernization (such as plumbing or gas line breaks, dry rot, seismic, structural, etc.).
- Other improvements required to comply with existing building codes, including the Field Act, and access requirements of the Americans with Disabilities Act.
- Necessary site acquisition and preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines (such as gas lines, water lines, electrical lines, sewer lines, and communication lines), trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property.
- Rental or construction of storage facilities and other space on an interim basis, as needed to accommodate construction materials, equipment, and personnel, and interim classrooms (including relocatables) for students and school functions or other storage for classroom materials displaced during construction.

- Acquisition of any of the facilities on the Bond Project List through temporary lease or lease-purchase arrangements, or execution of a purchase option under leases for any of these authorized facilities.
- All work necessary and incidental to specific projects described above, including demolition of existing structures.
- For any project involving rehabilitation or renovation of a building or other facilities or the major portion of a building or other facilities, the District shall be authorized to proceed with new replacement construction instead, if the Board determines that replacement and new construction is more economically practical than rehabilitation and renovation, considering the building's or facilities' age, condition, expected remaining life, and other relevant factors.

The listed projects will be completed as needed. Approval of the District's Measure ___ does not guarantee that the proposed school facilities projects in the District that are the subject of bonds under Measure ___ will be funded beyond the local revenues generated by Measure ___. The District's proposal for the school facilities projects may assume receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure. The allocation of bond proceeds may also be affected by the final costs of each project. In the absence of state matching funds, which the District will aggressively pursue to reduce the District's share of the costs of the projects, the District may not be able to complete some of the projects identified in Measure ___.

The budget for each project is an estimate and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating enhanced and operationally efficient campuses. Necessary relocation assistance, site preparation/restoration and landscaping, may occur in connection with new construction, renovation or remodeling, or installation or removal of portable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property.

Abbreviated Ballot Measure

The abbreviated ballot measure reads as follows:

MEASURE ___: “To modernize and improve Potter Valley schools, upgrade outdated electrical infrastructure, create classrooms with improved climate control and the capacity to use today’s instructional technology, and make other basic repairs, shall the Potter Valley Community Unified School District be authorized to issue up to \$3,100,000 in bonds at legal interest rates, with an Independent Citizens’ Oversight Committee and annual audits to ensure funds are ONLY spent improving LOCAL classrooms and facilities, and NOT for administrator salaries or any other purpose?”

BONDS-YES

BONDS-NO

EXHIBIT B
TAX RATE STATEMENT

An election will be held in the Potter Valley Community Unified School District (the "District") on November 3, 2015, to authorize the sale of up to \$3,100,000 in bonds of the District to modernize and improve Potter Valley schools. Specifically, bond proceeds shall be utilized for the purposes of financing the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing, and equipping of school facilities, or the acquisition or lease of real property for school facilities.

If the bonds are authorized and sold, debt service thereon will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with sections 9400-9404 of the Elections Code of the State of California. It is anticipated that the District will sell the bonds in two (2) separate series.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the bonds, based on estimated assessed valuations available at the time of filing of this statement, is 6¢ per \$100 (\$60.00 per \$100,000) of assessed valuation in fiscal year 2016–2017.

2. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 6¢ per \$100 (\$60.00 per \$100,000) of assessed valuation in fiscal year 2019–2020.

3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is 6¢ per \$100 (\$60.00 per \$100,000) of assessed valuation.

4. The best estimate of the average tax rate which would be required to be levied to fund this bond issue during the life of the bonds, based on estimated assessed valuations available at the time of filing of this statement, is 6¢ per \$100 (\$60.00 per \$100,000) of assessed valuation.

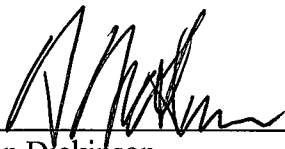
5. The best estimate of the total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$5,400,000.

Voters should note that the estimated tax rates are based on the *ASSESSED VALUE* of taxable property on the County's official tax rolls, *not* on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates, the years in which they will apply, and the total debt service may vary due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds.

The dates of sale and the amount of bonds sold at any given time will be determined by the District based on the need for construction funds and other factors, including the legal limitations on bonds approved by a 55% vote. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

Dated: July 28, 2015



Damon Dickinson
Superintendent
Potter Valley Community Unified School District

CERTIFICATION

I, Damon Dickinson, Secretary of the Board of Trustees of the Potter Valley Community Unified School District, Mendocino County, California, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly approved and adopted by the Board of Trustees of the District at a regular meeting held on July 27, 2015, of which meeting all the members of the Board of Trustees had due notice and at which a majority thereof were present, and that at the meeting the resolution was adopted by the following vote:

AYES: Trustee Johnson, Blundell, Delbar, & Lindelef

NOES: None

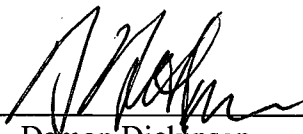
ABSENT: Trustee Riordan

ABSTAIN: None

An agenda for the meeting was provided at least seventy-two (72) hours before the regular meeting to all members of the Board of Trustees and was available to local media outlets. Further the agenda was posted at least seventy-two (72) hours before the regular meeting at the District at 10401 Main Street, Potter Valley, CA 95469, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda.

I have carefully compared the foregoing resolution with the original minutes of the meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at the meeting and entered in the minutes.

Dated: July 28, 2015



Damon Dickinson,
Secretary of the Board of Trustees
Potter Valley Community Unified School District