

19. Adopt a Resolution Approving the Issuance of a Grant Anticipation Note by the County on Behalf of the Waukena Joint Union Elementary School District.



County Counsel/Risk Management

COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

LARRY MICARI
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: December 17, 2024

Public Hearing Required	N/A
Scheduled Public Hearing w/Clerk	N/A
Published Notice Required	N/A
Advertised Published Notice	N/A
Meet & Confer Required	N/A
Budget Transfer (Aud 308) attached	N/A
Personnel Resolution attached	N/A
Agreement(s) attached	N/A

CONTACT PERSON: Patrick Beck PHONE: 559-636-4950

SUBJECT: Issuance of a Grant Anticipation Note by the County on Behalf of the Waukena Joint Union Elementary School District

REQUEST(S):

That the Board of Supervisors:

Adopt a Resolution Approving the Issuance of a Grant Anticipation Note by the County on Behalf of the Waukena Joint Union Elementary School District.

SUMMARY:

The Waukena Joint Union Elementary School District, located southwest of Tulare and near Corcoran, has requested that your Board adopt a Resolution approving the issuance of a Grant Anticipation Note by the County on behalf of the school district in an amount of up to \$500,000 principal amount. The school district intends to sell the Note to Self-Help Enterprises (“SHE”) to secure a no-interest bridge loan from SHE that will be used to pay for water system improvements at the school district’s Waukena campus (the “Project”). The School District plans to repay the principal of the Note by January 1, 2026 from the proceeds of a grant approved for the Project by the State Water Resources Control Board.

This note is similar to a note issued pursuant to State Water Board funding provided for the same Project (No. 5400795-001C), approved by the Board of Supervisors July 25, 2023. Government Code section 53859.03 requires that your Board authorize issuance of the requested note in the name of the school district as soon as possible after receiving the district’s request. This is unlike requests from school districts to issue Tax and Revenue Anticipation Notes, where your Board has discretion to decline to issue the Notes. All costs will be borne by the school district.

SUBJECT: Issuance of a Grant Anticipation Note by the County on Behalf of the Waukena Joint Union Elementary School District

DATE: December 17, 2024

FISCAL IMPACT/FINANCING:

The Waukena Joint Union Elementary School District will be responsible for paying the principal and issuance costs of the Grant Anticipation Note. There is no cost to the County General Fund for this recommended action.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The requested action supports the Strategic Business Plan's Quality of Life Goals and Initiatives by encouraging quality education opportunities for residents and students of the Waukena Joint Union Elementary School District by improving the water system serving the school campus.

ADMINISTRATIVE SIGN-OFF:

/s/ Jeffrey L. Kuhn

Jeffrey L. Kuhn

Chief Deputy County Counsel

Cc: County Administrative Office

Attachments: Resolution Approving the Issuance of a Grant Anticipation Note by the County on Behalf of the Waukena Joint Union Elementary School District

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF Issuance of a Grant)
Anticipation Note by the County on) Resolution No. 2024-1188, 2024-1189
Behalf of the Waukena Joint Union) Agreement No.
Elementary School District)
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

Adopt a Resolution Approving the Issuance of a Grant Anticipation Note by the County
on Behalf of the Waukena Joint Union Elementary School District.

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF TULARE AUTHORIZING THE ISSUANCE AND SALE OF A GRANT
ANTICIPATION NOTE IN THE NAME OF THE WAUKENA JOINT
UNION ELEMENTARY SCHOOL DISTRICT IN THE PRINCIPAL
AMOUNT OF NOT TO EXCEED \$500,000 AND APPROVING RELATED
DOCUMENTS AND ACTIONS**

RESOLUTION NO. 2024-_____

WHEREAS, pursuant to the provisions of Article 7.7 (commencing with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”), the Waukena Joint Union Elementary School District (the “District”) is authorized to provide for the issuance and sale of grant anticipation notes through the Board of Supervisors (the “Board of Supervisors”) of Tulare County (the “County”);

WHEREAS, pursuant to the Act, a school district may borrow money by issuing notes to be repaid from committed and appropriated funds of grants or loans of the state or federal government that the granting or loaning authority states shall be received by the school district on specified dates or events within 36 months of the issuance of the notes, which committed and appropriated grant or loan funds shall be pledged for the payment of the notes; and

WHEREAS, pursuant to the Act, proceeds of said notes may only be used for the purposes for which the grant is to be received; and

WHEREAS, the Act requires that such notes must be issued in the name of the District by the Board of Supervisors, as soon as possible following receipt of a resolution of the Board of Trustees of the District (the “District Board”) requesting same; and

WHEREAS, the District has received written approval from the State Water Resources Control Board (“SWRCB”) for funding (the “Grant”) to fund water system improvements (Project No. 5400795-001C) at the Waukena School campus (collectively, the “Project”) by which SWRCB, as the granting authority, states that the Grant funds shall be paid to the District on specified dates or events within a 36-month window from the date on which a note authorized by the Act, designated the “Waukena Joint Union Elementary School District 2024 Grant Anticipation Note” (the “Note”) shall be issued; and

WHEREAS, the Board of Supervisors has received a resolution adopted by the District Board (the “District Resolution”), requesting the borrowing of not to exceed \$500,000 through the issuance of the Note by the Board of Supervisors in the name and on behalf of the District; and

WHEREAS, the Board of Supervisors desires to make certain determinations, to authorize the issuance and sale of the Note in the name and on behalf of the District, pursuant to the terms of this Resolution and the District Resolution,

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NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Tulare, as follows:

SECTION 1. Recitals. All of the above recitals are true and correct and the Board of Supervisors so finds.

SECTION 2. Definitions, Interpretation. The terms “herein,” “hereunder,” “hereby,” “hereto,” and any similar terms, refer to this Resolution as a whole, and the term “hereafter” means after the date of adoption of this Resolution. Headings of Sections herein are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof. All references herein to “Sections” and other subdivisions are to the corresponding Sections or subdivisions of this Resolution, unless otherwise noted. As used or referred to in this Resolution, unless a different meaning clearly appears from the context, the capitalized terms used in this Resolution have the meanings given them as follows:

“**Act**” means Article 7.7 (commencing with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code.

“**Authorized Officers**” means, collectively, (i) the Chair or Vice-Chair of the Board of Supervisors; (ii) the County’s County Administrative Officer, or such other officer or employee of the County that the County Administrative Officer may designate to act hereunder, and (iii) the County’s Treasurer-Tax Collector or such other officer or employee of the County that the County Treasurer-Tax Collector may designate to act hereunder. Each of the Authorized Officers is an “Authorized Officer.”

“**Board of Supervisors**” means the Board of Supervisors of the County of Tulare.

“**Costs**” or “**Costs of the Project**” means any costs incurred by the District in connection with the Project.

“**County**” means the County of Tulare, California, a political subdivision of the State of California.

“**District**” means the Waukena Joint Union Elementary School District, a public school district of the State of California.

“**District Board**” means the Board of Trustees of the District.

“**District Resolution**” means the resolution of the District Board adopted on November 12, 2024, requesting the issuance of the Note by the County in the name and on behalf of the District.

“**Lender**” means Self-Help Enterprises, a California nonprofit public benefit corporation, as Lender and registered owner of the Note.

“**Maturity Date**” means the date of final maturity of the Note, January 1, 2026, or such other date as shall be provided for in the Note Purchase Agreement but in no event later than within 36 months of the dated date of the Note.

“Note” means the note designated the “Waukena Joint Union Elementary School District 2024 Grant Anticipation Note” authorized by and delivered pursuant to this Resolution and the District Resolution.

“Note Purchase Agreement” means the agreement by which the Lender agrees to purchase the Note from the County in accordance with the District Resolution and this Resolution.

“Outstanding” when used with reference to the Note and as of any particular date, describes the Note issued and delivered except (a) if such Note is cancelled at or prior to said date, (b) if the payment of moneys, equal to the principal amount of the Note, with interest (if any) to the date of maturity, shall be in trust under this Resolution and set aside for payment of the Note, and (c) any Note in lieu of or in substitution for which another Note shall have been issued and delivered pursuant to the provisions of this Resolution.

“Project” means Project No. 5400795-001C, the legally authorized capital improvement project of the District to be financed with the Note, for which the State Grant Moneys have been appropriated by the State Water Resources Control Board, as allowed by the Act.

“Project Fund” means the fund established and held by the County pursuant to Section 5(c) of this Resolution.

“Repayment Fund” means that account established pursuant to Section 5(a) of this Resolution.

“Resolution” means this Resolution, as amended from time to time.

“SWRCB” means the State Water Resources Control Board, the granting authority for the Grant.

“State” means the State of California.

“State Grant Moneys” means the proceeds of the Grant, to be received by the District from the State, which proceeds are allocated or appropriated to pay for or reimburse the District for, the Project.

“Supplemental Resolution” means any Resolution of the District Board amending or supplementing the District Resolution, or any Resolution of the Board of Supervisors amending or supplementing this Resolution, which Supplemental Resolution(s) have been adopted and become effective in accordance with the terms of Section 6 hereof.

“Treasurer-Tax Collector” means the officer of the County holding the position of Tulare County Auditor-Controller/Treasurer-Tax Collector.

SECTION 3. Determinations. The Board of Supervisors hereby affirms the determinations of the District Board as set forth in Section 3 of the District Resolution as if set forth herein by this Board of Supervisors.

SECTION 4. Authorization and Terms of Note.

(a) *Authorization of Note.* Pursuant to the Act and the request of the District set forth in the District Resolution, the Board of Supervisors hereby authorizes the issuance of the Note by the County, on behalf of, and in the name of, the District, and the sale of the Note to Self-Help Enterprises, a California nonprofit public benefit corporation (the “Lender”), for the purpose of raising funds to pay Costs of the Project pending receipt of the State Grant Moneys. The Note shall be designated “Waukena Joint Union Elementary School District 2024 Grant Anticipation Note.”

(b) *Terms, Form, and Execution of the Note.* The Note shall be issuable as a single fully registered Note without coupons in the maximum principal amount \$500,000 in substantially the form attached hereto as Exhibit A. The Note shall be payable in legal tender of the United States of America. The Note shall be dated its date of issuance and shall mature on the Maturity Date. The Note shall not be subject to optional redemption prior to maturity. The Note shall bear interest at a rate of zero percent (0.00%) per annum. The principal of and interest on the Note shall be payable to the registered owner when due and payable by check or draft mailed or by wire transfer as directed by the registered owner. The Note may be typewritten, printed, engraved, lithographed or otherwise produced. The Note shall be executed in the name of the District by the manual or facsimile signature of the Chair of the Board of Supervisors and the County Treasurer-Tax Collector and countersigned by the Clerk of the Board of Supervisors or the Clerk’s designee.

(c) *Sources of Payment and Security for the Note.* The principal amount of the Note, together with the interest thereon, shall be payable from State Grant Moneys as provided by the Act. As security for the payment of principal and interest (if any) on the Note, the District hereby pledges such State Grant Moneys, which have been appropriated and committed by the State through the SWRCB and will be payable to the District on a date within a 36-month window from the date on which the Note is issued.

The pledged State Grant Moneys shall be deposited by the District into the Repayment Fund on the date or dates specified in the Note Purchase Agreement. The principal of the Note and the interest thereon (if any) shall be a first lien and charge against the proceeds of the State Grant Moneys.

To the extent the Note is not paid from the State Grant Moneys pledged to the repayment thereof as described herein, the Note shall be paid with interest thereon (if any), to the extent permitted by law from any taxes, income, revenue, cash receipts, or other moneys of the district lawfully available therefor.

(d) *Sale of Note; Approval of Note Purchase Agreement.* The Note shall be sold at a private negotiated sale to the Lender in accordance with the District Resolution, this Resolution, and the Note Purchase Agreement.

(i) The form of Note Purchase Agreement dated as of January 1, 2025 by and between the County and the Lender, substantially in the form approved by the District and Lender, is hereby approved together with such changes as may be deemed necessary by an Authorized Officer. The Authorized Officers, each alone, are hereby authorized to execute and deliver the Note Purchase Agreement, with such

changes therein, deletions therefrom, and modification thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

(e) *Deposit of Note Proceeds.* The proceeds of the Note, net of amounts used to pay costs of issuance of the Note, shall be transferred by the Lender to the County for deposit in the Project Fund established pursuant to Section 5(c) below.

SECTION 5. Establishment and Investment of Funds.

(a) *Establishment of Repayment Fund.* There is hereby established a special fund designated as the “Waukena Joint Union Elementary School District 2024 Grant Anticipation Note Repayment Fund” (the “Repayment Fund”) to be held by the County and applied as directed in this Resolution and the Note Purchase Agreement. The County Treasurer-Tax Collector shall direct the moneys in the Repayment Fund to be invested as provided in subdivision (b) below. Any moneys accounted for in the Repayment Fund shall be for the benefit of the Lender until the Note and all interest thereon (if any) are paid or until provision has been made for the payment of the Notes, and the moneys in the Repayment Fund shall be applied only for the purposes for which the Repayment Fund is created.

(b) *Repayment Fund Disbursement and Investments.* From the delivery date of the Note, all pledged State Grant Moneys shall, when received, be accounted for in the Repayment Fund. After such date as the amount of State Grant Moneys accounted for in the Repayment Fund shall be sufficient to pay in full the principal of and interest (if any) on the Note, when due, then any moneys in excess of such amount remaining in or accruing to the Repayment Fund shall be transferred to the general fund of the District. On the Maturity Date of the Note, the moneys in the Repayment Fund shall be used, to the extent necessary, to pay the principal of and interest (if any) on the Note.

Moneys accounted for in the Repayment Fund shall be invested by the County in any one or more investments generally permitted for investment by school districts under the law of the State, consistent with the investment policy of the County, this Resolution, and the District Resolution. No such investments, however, shall have a maturity date later than the Maturity Date of the Note.

(c) *Moneys In Accounts Following Note Payment.* Any moneys remaining in any of the accounts established by this Resolution after the payment of the Note in full shall be applied as directed by the District.

SECTION 6. Supplemental Resolutions.

(a) *Supplemental Resolutions.* A Supplemental Resolution for any one or more of the following purposes shall be fully effective in accordance with its terms upon its adoption and the filing with the District and the County of an opinion of an attorney of or a firm of attorneys specializing in the law of public finance to effect that such Supplemental Resolution has been duly and lawfully adopted, is authorized or permitted by the provisions of this Resolution and the District Resolution and, when effective, will be binding upon the County, District, and the Lender:

- (i) To specify, determine, or authorize any matters and things concerning the Note or the proceeds thereof which are not contrary to or inconsistent with this Resolution, the District Resolution, and the Act;
- (ii) To pledge to the repayment of the Note subsequent funding for the Project;
- (iii) To cure any ambiguity, omission, or defect;
- (iv) To impose other limitations or restrictions upon the District or the Lender; or
- (v) To confirm, as further assurance, any pledge of or lien upon other moneys, securities, or funds.

SECTION 7. Miscellaneous.

(a) *Conditions of Approval.* The Board's approval of this Resolution and issuance of the Note is given with the understanding, and upon the express conditions that:

- (i) The Note will not in any way be an obligation or indebtedness of the County, and that the County will have no responsibility for furnishing funds needed for paying the principal, interest, premium, or other costs on or with respect to the Note or the Project;
- (ii) The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees (“Indemnified Parties”), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of this Resolution, issuance of the Note, and the Project. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

(b) *No Personal Liability.* No recourse under or upon any obligation, covenant, or agreement contained in this Resolution, the District Resolution, or in the Note, or under any judgment obtained against the County or the District, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Resolution, shall be had against any board member, director, trustee, officer or employee as such, past, present or future of the County, either directly or through the District, the County, or otherwise, for the payment for or to the County or any receiver thereof, or for or to the Lender or otherwise, of any sum that may be due and unpaid by the District upon any such Note. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such board member, director, trustee officer or employee, as such, to respond, by reason of any act or omission on his part or otherwise, for the payment for or to the Note issued hereunder or to otherwise of any sum that may remain due and unpaid upon the Note hereby secured or any of them is, by the acceptance thereof, expressly waived and released as a condition of and in consideration for the execution of this Resolution and the issuance of the Note.

(c) *Professionals Involved in Transaction.* Pursuant to the District Resolution, the District has appointed Lozano Smith, LLP as Bond Counsel to the District in connection with the issuance of the Note. The Board of Supervisors hereby confirms such appointment. The Board of Supervisors hereby authorizes the Authorized Officers of the District to select and appoint the Lender of the Note.

(d) *Approval and Authorization.* The Board of Supervisors hereby authorizes and directs the Authorized Officers, jointly and severally, to take such actions and to execute and deliver the Note and all other documents and agreements they deem necessary or advisable in order to issue the Note and carry out the purposes of this Resolution.

This space left blank intentionally.

SECTION 8. Effective Date. This Resolution shall take effect from and after its passage and approval.

The foregoing Resolution was **PASSED AND ADOPTED** by the Board of Supervisors of the County of Tulare at a meeting held by the Board of Supervisors on December 17, 2024, by the following votes:

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

This is to certify that a true and correct copy of this Resolution was adopted and approved at a meeting of the Board of Supervisors of the County of Tulare.

By: _____
Chair of the Board of Supervisors
County of Tulare

ATTEST: Jason T. Britt, Tulare County Administrative Officer/
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM
COUNTY COUNSEL

By: _____
Deputy

County Counsel Matter No. _____

EXHIBIT A

FORM OF NOTE

WAUKENA JOINT UNION ELEMENTARY SCHOOL DISTRICT
TULARE COUNTY, CALIFORNIA
2024 GRANT ANTICIPATION NOTE

Maturity Date: [____], 2026

Interest Rate: 0.00%

Registered Owner: Self-Help Enterprises

Delivery Date: [____], 2024

Principal Amount: \$500,000

The Waukena Joint Union Elementary School District (the “District”), located in the County of Tulare (the “County”), State of California (the “State”), for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, upon presentation and surrender, the Principal Amount stated above on the Maturity Date stated above, and to pay interest thereon from the date hereof at the Interest Rate per annum stated above (computed on a basis of 360-day year of twelve 30-day months) on said Maturity Date. The principal of and interest on this Note will be payable solely from the sources provided therefor under the District Resolution (hereinafter referred to) at the office of the County upon the Maturity Date hereof. Both principal of and interest on this Note are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This note is the Note issued in the aggregate principal amount of \$500,000 and which is authorized and issued under and pursuant to the authority of Article 7.7 (commencing with Section 53859) of Chapter 4, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”) and under and in accordance with a Resolution adopted by the Board of the Supervisors of the County on December 17, 2024 (the “Resolution”) and a resolution adopted by the Board of Trustees of the District on November 12, 2024 (the “District Resolution”) for the purpose of financing the Costs of the Project (as defined in the District Resolution).

As security for the payment of principal of and interest on the Note the District has pledged the State Grant Moneys (as defined in the District Resolution). The principal of the Notes and the interest thereon shall constitute a first lien and charge on such pledged State Grant Moneys, and shall be payable therefrom, and to the extent not so paid shall be paid, to the extent permitted by law, from any taxes, income, revenue, cash receipts, or other moneys of the District lawfully available therefor.

Reference to the Resolution and any and all modifications and amendments thereof and to the Act is made for description of the nature and extent of the security for the Note, the funds or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the Lender with respect thereto and the terms and conditions upon which the Note is issued.

To the extent and in the respects permitted by the Resolution the provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended.

If and when the District shall pay or cause to be paid to the Lender, the principal and interest due and to become due thereon, at the times and in the manner stipulated herein and in the Resolution, then the pledge of the State Grant Moneys and other moneys, securities and funds pledged under the District Resolution and the covenants, agreements and other obligations of the District to the Lender shall be discharged and satisfied.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of California or the Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Note exist, have happened and have been performed.

IN WITNESS WHEREOF, Board of Supervisors of the County of Tulare has caused this Note to be executed by the manual or facsimile signatures of its Chair and Treasurer-Tax Collector and countersigned by its Clerk or the Clerk's designee.

COUNTY OF TULARE

By: _____
Chair, Board of Supervisors

By: _____
Treasurer-Tax Collector

COUNTERSIGNED
Clerk of the Board of Supervisors

Deputy