



# Napa County

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## Legislation Details (With Text)

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**File #:** 23-0109      **Version:** 1

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**On agenda:** 1/24/2023      **Final action:**

**Title:** Interim County Executive Officer requests adoption of a Resolution authorizing the Calistoga Joint Unified School District to issue Series 2023 Bonds of the District without further approval of the Board of Supervisors or Officers of Napa County.

**Sponsors:** Board of Supervisors

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution, 2. School District Resolution

Date	Ver.	Action By	Action	Result
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**TO:** Board of Supervisors

**FROM:** David Morrison, Interim County Executive Officer

**REPORT BY:** Thomas C. Zeleny, Interim County Counsel

**SUBJECT:** Calistoga Joint Unified School District General Obligation Bonds, Election 2022, Series 2023

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### **RECOMMENDATION**

Interim County Executive Officer requests adoption of a Resolution authorizing the Calistoga Joint Unified School District to issue Series 2023 Bonds of the District without further approval of the Board of Supervisors or Officers of Napa County.

### **EXECUTIVE SUMMARY**

The Board of Trustees (the “District Board”) of the Calistoga Joint Unified School District (the “District”) conducted a successful bond election on November 8, 2022. That election authorized the issuance of up to \$41 million of General Obligation Bonds to improve educational facilities, construct career technical education classrooms and facilities, upgrade classroom technology, and improve technology infrastructure.

On January 9, 2023, the District Board adopted Resolution 22-23-12 (the “District Resolution”) providing for

the issuance and sale by the District of its “Calistoga Joint Unified School District (Napa and Sonoma Counties, California) General Obligation Bonds, Election of 2022, Series 2023” pursuant to sections 15140 et seq. of the Education Code and sections 53506 et seq. of the Government Code. The District Resolution requests that the Board of Supervisors authorize the District to issue and sell up to \$14 million (a portion of the \$41 million authorized by the election) in its proposed Series 2023 Bonds on its own behalf at a negotiated private sale pursuant to 53508.7 of the Government Code and Section 15140 and 15146 of the Education Code. The private sale will be subject to the terms set forth in the District Resolution.

If adopted by the Board of Supervisors, the attached County resolution provides that the County assumes no responsibility for any aspect of the sale of the Series 2023 Bonds, which grants the District the ability to sell the Series 2023 Bonds without County involvement. The County will be responsible for the levy and collection of taxes to pay principal of and interest on the Series 2023 Bonds, as it does with the prior series of District bonds.

### **FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact?	No
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Action is requested by the school district. Allows the school district to issue bonds without further County approval.
Consequences if not approved:	County may need to take a more active role in securing financing for the school district.
County Strategic Plan pillar addressed:	Effective and Open Government

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: This proposed activity is not subject to CEQA pursuant to CEQA Guidelines section 15060(c)(3) because the activity is not a project pursuant to section 15378, and because it will not result in a direct or reasonably foreseeable indirect physical change in the environment pursuant to section 15060(c)(1).

### **BACKGROUND AND DISCUSSION**

The Board of Trustees (the “District Board”) of the Calistoga Joint Unified School District (the “District”) conducted a successful bond election on November 8, 2022. That election authorized the issuance of up to \$41 million of General Obligation Bonds to improve educational facilities, construct career technical education classrooms and facilities, upgrade classroom technology, and improve technology infrastructure. Monies generated by the sale of these bonds may only be spent for these specified purposes.

On January 1, 2023, the District Board adopted Resolution 22-23-12 (the “District Resolution”) providing for the issuance and private sale by the District of not to exceed \$14 million aggregate principal amount of “Calistoga Joint Unified School District (Napa and Sonoma Counties, California) General Obligation Bonds, Election of 2022, Series 2023” (the “Bonds”) pursuant to the provisions of section 15140 and 15146 of the Education Code and section 53508.7 of the Government Code. These provisions allow a negotiated private sale

and the term of bonds that are issued and sold can be up to 40 years in duration (see Government Code section 53508(f)) rather than 25 years (see Education Code section 15144) thus providing the District with greater flexibility in managing its finances. The issuance and sale of \$14 million in Series 2023 Bonds is only a portion of the \$41 million authorized by the election, so the District could decide to issue and sell more bonds at a later date.

Section 15140(b) of the California Education Code provides that the board of supervisors of any county may provide by resolution that the governing board of any school district over which the county superintendent of schools has jurisdiction, and which has not received a qualified or negative certification in its most recent interim report, may issue and sell bonds on its own behalf without further action of the board of supervisors or officers of that county or of any other county in which a portion of the school district is located.

The District Resolution requests that the Napa County Board of Supervisors authorize the District to issue and sell its Bonds on its own behalf at a negotiated private sale pursuant to sections 15140 and 15146 of the Education Code and section 53506 et seq., including section 53508 and 53508.7, of the Government Code, subject however to the terms set forth in the District Resolution. The District Resolution represents and warrants to the County that it has not received a qualified or negative certification in its most recent interim report.

A copy of the adopted District Resolution is attached.

The proposed County resolution includes the standard condition of approval that the County shall not be responsible for any aspect of the sale of these Bonds, granting the District the ability to sell the Bonds at a private sale without County involvement. The County Resolution also provides that the County shall not be responsible if the District fails to timely provide to the Napa County Auditor-Controller and the Napa County Treasurer-Tax Collector copies of the authorizing resolution, the final debt service schedule for the Bonds, reflecting the principal amounts and interest rates of such Bonds, in sufficient time to permit the County to establish tax rates and necessary funds or accounts for the Bonds. These time deadlines will be established by the Auditor-Controller and Treasurer Tax-Collector. The County will be responsible for the levy and collection of taxes to pay principal of and interest on the Series 2023 Bonds, as it does with the prior series of District bonds.