

RESOLUTION NO. 2022-__ (NBRID)

RESOLUTION OF THE GOVERNING BOARD OF THE NAPA BERRYESSA RESORT IMPROVEMENT DISTRICT, REQUESTING A LOAN RENEWAL FROM NAPA COUNTY AND APPROVING ISSUANCE OF A PROMISSORY NOTE TO BORROW FUNDS FROM NAPA COUNTY FOR THE PURPOSE OF SATISFYING THE PAYMENT FOR A LOAN ISSUED BY NAPA COUNTY; AND AUTHORIZING THE CHAIR AND SECRETARY OF THE GOVERNING BOARD TO SIGN THE PROMISSORY NOTE

WHEREAS, pursuant to California Government Code Section 25214.4, resort improvement districts located within county boundaries are authorized to borrow money from the county, the proceeds of which may be used and expended in order for the districts to perform their functions and meet their obligations; and

WHEREAS, the Napa Berryessa Resort Improvement District (the “District”) is a special district of the State of California organized under the Resort Improvement District Law (Public Resources Code Section 13000 *et seq.*) for the provision of water and sewer service in an unincorporated portion of the County of Napa (the “County”); and

WHEREAS, beginning in 1995, the District’s infrastructure suffered significant deterioration due to many components reaching the end of its useful life, which resulted in enforcement action by the Regional Water Quality Control Board mandating repair and replacement of its facilities; and

WHEREAS, the decline of the facilities and the mandates imposed by the Regional Board prompted a series of requests for loans from Napa County for various repair and improvement projects between 2008 and 2013; and

WHEREAS, the District currently has four active loans from the County, totaling \$3,594,000, including Loan No. 1 for \$869,000 and Loan No. 2 for \$625,000, which are the result of the consolidation of five smaller loans issued between 2008 and 2012, Loan No. 3 for \$1,100,000 which is an original loan from 2013, and Loan No. 4 for \$1,000,000 which is an original loan from 2021; and

WHEREAS, District residents have approved several rate increases since 2007 and established special assessments in 2012 to cover the costs of numerous repairs, but these actions have not allowed the District to build enough budgetary reserves to repay certain loans; and

WHEREAS, the District is unable to satisfy the payment for Loan No. 1 for \$869,000, which was issued on May 7, 2013, then renewed for a second and third term on June 14, 2016 and June 4, 2019 respectively, and is now coming due on June 30, 2022; and

WHEREAS, the best interests of the District will be served by requesting the County to renew Loan No. 1 in the amount of \$869,000 for a fourth, three-year term which will enable the District to satisfy the payment owed for the third term of Loan No. 1 that is due on June 30, 2022;

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Napa Berryessa Resort Improvement District as follow:

1. The recitals set forth above are true and correct.
2. The Governing Board hereby requests a loan from the County in the amount not to exceed \$869,000.
3. The Governing Board hereby authorizes issuance of a promissory note (“Note”) payable to the County in an amount not to exceed the amount of \$869,000. The term of the Note shall be from July 1, 2022 until June 30, 2025. Interest on the Note shall be payable at the same rate of interest that the County applies to funds of the District on deposit with the County.
4. Interest shall accrue and be payable by the end of each fiscal year until the principal is paid in full. The principal amount of the Note shall be due and payable by the end of the fiscal year 2024-2025, together with any accumulated and unpaid interest.
5. The principal amount of the Note, together with the interest thereon, shall be payable from taxes, revenue and other moneys which are received by the District for the general fund of the District. As security for the payment of the principal of and interest on the Note, the District pledges the first “unrestricted moneys,” as hereinafter defined, (such pledged amounts being hereinafter called the “Pledged Revenues”). The principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be paid from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Note shall be paid from any other moneys of the District lawfully available therefor. The term “unrestricted moneys” shall mean taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.
6. The Chair is hereby authorized and directed to sign the Note, and the District Secretary is hereby authorized and directed to countersign the Note.
7. The District Secretary is directed to file a copy of this Resolution and the Note with the Napa County Auditor-Controller.

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THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED
at a regular meeting of the governing Board of the Napa Berryessa Resort Improvement District
on the 17th day of May, 2022, by the following vote:

AYES: MEMBERS

NOES: MEMBERS

ABSTAIN: MEMBERS

ABSENT: MEMBERS

NAPA BERRYESSA RESORT IMPROVEMENT
DISTRICT, a special district of the State of
California

By: _____
RYAN GREGORY, Chair of the
Governing Board

<p>APPROVED AS TO FORM Office of County Counsel / District Legal Counsel</p> <p>By: <u>Thomas C. Zeleny</u> Interim County Counsel</p> <p>Date: April 27, 2022 ProLaw Doc. No. 71901</p>	<p>APPROVED BY THE BOARD OF SUPERVISORS, AS THE GOVERNING BOARD OF THE NAPA BERRYESSA RESORT IMPROVEMENT DISTRICT</p> <p>Date: _____ Processed By: _____ Deputy Secretary of the District Board</p>	<p>ATTEST: NEHA HOSKINS Secretary of the District Board</p> <p>By: _____</p>
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