

ORCUTT UNION SCHOOL DISTRICT  
Regular Closed Meeting of the Board of Trustees  
Wednesday, April 8, 2020  
Closed Session – 6:00 P.M.  
Public Session – 6:45 P.M.  
District Board Room  
500 Dyer St., Orcutt, CA 93455

**Due to Covid 19 Pandemic and need for Social Distancing, the physical Board meeting is closed to the public, however you can access the board meeting via audio teleconference**

**Orcutt Conference Call**

Please join the meeting from your computer, tablet or smartphone.

<https://www.gotomeet.me/orcutt>

You can also dial in using your phone.

United States: [+1 \(571\) 317-3122](tel:+15713173122)

Access Code: 887-747-125

**CALL TO ORDER** 6:00 P.M.

- A. Pledge of Allegiance

**CLOSED SESSION PUBLIC COMMENTS**

- A. This section of the agenda is intended for members of the public to address the Board of Trustees on items that are being considered in Closed Session. Those wishing to speak about items to be discussed in closed session will need to email Alice Salazar, at [asalazar@orcutt-schools.net](mailto:asalazar@orcutt-schools.net) and state that you want to make a public comment. Speakers are allowed a maximum of three (3) minutes to address the Board. The Board will limit any response to public comments to brief statements, referral to staff, or referral to a future board meeting.

**ADJOURN TO CLOSED SESSION**

- A. Adjourn to Closed Session for the purpose of discussing matters expressly authorized by Government Code Section 3549.1, 54956.95, 54957, and 54957.6.
1. Public Employment per Personnel Report.
  2. Public Employee Employment/Discipline/Dismissal/Release.
  3. Conference with labor negotiator Dr. Deborah Blow, Superintendent and/or Susan Salucci
    - a. OEA
    - b. CSEA
  4. Conference with labor negotiators for unrepresented employees:
    - a. Certificated and Classified Management, and Confidential.
    - b. Agency representative – Superintendent.
    - c. Superintendent. Agency representative – Board of Trustees
  5. Student disciplinary/expulsion matters.
  6. Conference with Legal Counsel: Anticipated Litigation Pursuant to California Government section 54956.9(d) (2).

**RECONVENE TO PUBLIC SESSION** 6:30 P.M.

- A. Public Report on Action Taken in Closed Session

- B. Adoption of April 8, 2020 Agenda

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

- C. **PUBLIC COMMENT ANNOUNCEMENT**

The Board of Trustees welcomes comments about items appearing or not appearing on tonight's agenda. Audience members wishing to address the Board during the Public Comment segment of the agenda are asked to email Alice Salazar at [asalazar@orcutt-schools.net](mailto:asalazar@orcutt-schools.net). You will need to join the meeting, and you will be called upon during the public comment section of the agenda.

### **ITEMS SCHEDULED FOR INFORMATION/DISCUSSION**

A. Public Comment

The public comment section of the agenda is an opportunity for the public to provide input to the Board of Trustees. Any request to speak must be emailed to Alice Salazar at [asalazar@orcutt-schools.net](mailto:asalazar@orcutt-schools.net) and state that you want to make a public comment. If you are speaking to an item that is not on the agenda, you can only speak during the public comment section.

Those wishing to speak about an item that is on the agenda may do so during the public comment section, or when the item is being considered. If you choose to speak on an item at the time it is being considered, your name will be called before the Board's deliberation.

Speakers are allowed a maximum of three (3) minutes to address the Board. The Board will limit any response to public comments to brief statements, referral to staff, or referral to a future board meeting. **Please make sure and join the meeting (see instructions on page 1), if you plan on making a public comment.**

B. Written Communication

Documents addressed to or by board members as communications during a Board of Education meeting are defined as letters from parents or community members regarding issues within the jurisdiction of authority of the Board of Education; information or reports from professional organizations, i.e., CSBA, SBCSBA, etc.; letters or reports from other public agencies; letters or reports from legislators; or letters or reports from district schools or staff.

### **CONSENT AGENDA ITEMS**

Actions proposed for Consent Agenda (block vote) items are consistent with approved practices of the district and are deemed routine in nature. Since trustees receive board agenda backup information in advance of scheduled meetings, they are prepared to vote with knowledge on the block vote items. Consent Agenda items are voted on at one time, although any such item can be considered separately at a board member's request.

- A. Classified Personnel Action Report
- B. Certificated Personnel Action Report
- C. Approval of Warrants
- D. Minutes, Regular Board Meeting, March 11, 2020
- E. Minutes, Special Closed Session Board Meeting, March 30, 2020
- F. BP 3550, Food Service/Child Nutrition Program, for second reading
- G. BP 3554, Other Food Sales, for second reading

It is recommended that the Board of Trustees approve Consent Agenda Items A through G, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

### **ITEMS SCHEDULED FOR ACTION**

A. 1. Strategic Plan for 2020 through 2025

It is recommended that the Board of Trustees approve the Strategic Plan consisting of the, Mission, Vision, Core Value and Goals for 2020 through 2025, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

2. Ratify Resolution No. 19 Delegating Authority to the Superintendent to Act in Place of the Board of Trustees During an Emergency Closure

It is recommended that the Board of Trustees ratify resolution No. 19 Delegating Authority to the Superintendent to Act in Place of the Board of Trustees During an Emergency Closure.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**B. BUSINESS SERVICES**

***PUBLIC HEARING – AB1200 PUBLIC DISCLOSURE***

The public is invited to address the Board and present comments regarding the AB1200 Public Disclosure of proposed Collective Bargaining Agreement – California School Employees Association (Orcutt), Classified/Confidential Management, and Orcutt Educators Association and Certificated Management

**ITEM SCHEDULED FOR ACTION**

1. AB1200 Public Disclosure of proposed Collective Bargaining Agreement – California School Employees' Association (Orcutt), and Classified/Confidential Management

It is recommended that the Board of Trustees approve the AB1200 Disclosure of Proposed Collective Bargaining Agreement, California School Employees' Association (Orcutt), as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

2. AB1200 Public Disclosure of proposed Collective Bargaining Agreement – Orcutt Educators Association and Certificated Management

It is recommended that the Board of Trustees approve the AB1200 Disclosure of Proposed Collective Bargaining Agreement, Orcutt Educators Association (Orcutt) and Certificated Management, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

3. Resolution No. 18 A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF THE ORCUTT UNION SCHOOL DISTRICT (SANTA BARBARA, CALIFORNIA) 2020 GENERAL OBLIGATION REFUNDING BONDS

It is recommended that the Board of Trustees approve Resolution #18, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF THE ORCUTT UNION SCHOOL DISTRICT (SANTA BARBARA, CALIFORNIA) 2020 GENERAL OBLIGATION REFUNDING BONDS, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

4. Resolution No. 13 A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT, SANTA BARBARA COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF THE ORCUTT UNION SCHOOL DISTRICT (SANTA BARBARA, CALIFORNIA) ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B, AND ACTIONS RELATED THERETO

It is recommended that the Board of Trustees approve Resolution #13, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT, SANTA BARBARA COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF THE ORCUTT UNION SCHOOL DISTRICT (SANTA BARBARA, CALIFORNIA) ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B, AND ACTIONS RELATED THERETO, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

5. Approval of TELACU Construction Management Agreement

It is recommended that the Board of Trustees approve the TELACU Construction Management Agreement, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

6. Budget for Full Day Kindergarten Projects for Alice Shaw, Pine Grove, Patterson Road and Ralph Dunlap, and Joe Nightingale Elementary Schools

It is recommended that the Board of Trustees approve the estimated budgets for Alice Shaw, Pine Grove, Patterson Road, and Ralph Dunlap, and Joe Nightingale, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

7. American Modular System (AMS) Change Order for the Purchase and Installation of Twelve (12) Modular Classrooms

It is recommended that the Board of Trustees ratify the Change Order for American Modular System (AMS), in the amount of \$687,960, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

8. Obsolete Portables

It is recommended that the Board of Trustees declare the list of portables submitted to be obsolete and authorize staff to dispose of portables, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

9. Approve the rejection of all bids for Exterior Painting and General Repair Projects at Various Sites

It is recommended that the Board of Trustees reject the bids for Exterior Painting and General Repair Projects at Various Sites, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**B. HUMAN RESOURCE**

1. Approval of Agreement with Orcutt Educators Association (OEA)

It is recommended that the Board of Trustees approve the negotiated agreement with Orcutt Educators Association, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

2. Approval of Agreement with the California School Employees Association (CSEA) #255

It is recommended that the Board of Trustees approve the negotiated agreement with the California School Employees Association #255, as submitted.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

3. Approval of Compensation Increase for Confidential Employees, Certificated Management and Classified Management

It is recommended that the Board of Trustees ratify the agreements with Orcutt Union School District Confidential Employees and Management

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

4. Approval of Compensation Increase for Contracted Positions

It is recommended that the Board of Trustees grant a 2.55% salary increase effective July 1, 2019, to the Assistant Superintendent of Business Services, Assistant Superintendent of Educational Services, Assistant Superintendent of Human Resources, and Chief Technology Officer.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

5. Approval of Addendum to the Superintendent's Contract Agreement

It is recommended that the Board of Trustees approve the addendum to Superintendent Dr. Blow's contract agreement to reflect a 2.55% off schedule, one-time payment. The 2.55% payment is consistent with the raise approved for contracted positions.

Moved \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_



6. 2019/2020 Resolution No.15 Classified Lay-Offs as a Result of Lack of Work and/or Lack of Funds

It is recommended that the Board of Trustees approve the 2019/2020 Resolution No. 15, Classified Lay-Offs as a Result of Lack of Work and/or Lack of Funds, as submitted.

Moved \_\_\_\_\_

Second \_\_\_\_\_

Vote \_\_\_\_\_

7. 2019/2020 Resolution No. 17 Classified Employees Week

It is recommended that the Board of Trustees approve the 2019/2020 Resolution No. 17, Classified Employees Week, as submitted.

Moved \_\_\_\_\_

Second \_\_\_\_\_

Vote \_\_\_\_\_

8. 2019/2020 Resolution No. 16, Day of the Teacher

It is recommended that the Board of Trustees approve the 2019/2020 Resolution No. 16, Day of the Teacher, as submitted.

Moved \_\_\_\_\_

Second \_\_\_\_\_

Vote \_\_\_\_\_

**GENERAL ANNOUNCEMENTS**

- A. Unless otherwise noticed, the next regular board meeting is scheduled for Wednesday, May 13, 2020, beginning with Closed Session starting at 6:00 p.m., Public Session at 6:45 p.m. in the District Office Board Room, 500 Dyer Street, Orcutt, CA.

**ADJOURN TO CLOSED SESSION (If Needed)**

- A. Public Report on Action Taken in Closed Session

**ADJOURN**

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Superintendent's Office at (805) 938-8907. Notification 48 hours prior to the meeting will enable the district to make reasonable arrangements to ensure accessibility to this meeting.*

*All documents related to the open session agenda are available for review 72 hours prior to the meeting at the Orcutt Union School District Office, 500 Dyer Street, Orcutt, CA.*

Classified Personnel Action Report  
Orcutt Union School District  
April 8, 2020



TO: Deborah Blow, Ed.D.

SUBMITTED BY: Susan Salucci, Assistant Superintendent/Human Resources

SUBJECT: Recommendations for Board Approval

Name	Site/Dept.	Classification	Step/ Range	Hours	Rate of Pay	Effective	Action/Information
Badenell, Lisa	Transportation	Bus Attendant	11/6	33.6 per wk.	\$18.48 per hr.	3/17/2020	Rescind Early Retirement Incentive Program
Baker, Desirae	Lakeview JH	Noon Duty Supervisor	6/1	2.49 per wk.	\$13.00 per hr.	2/01/2020	Permanent/Probationary
Bonner, Krista	Campus Connection	Child Care Assistant, Substitute	6/6		\$16.33 per hr.	3/9/2020	Substitute
Castillo, Sway	Operations	Utility Worker, Substitute	18		\$16.36 per hr.	3/18/2020	Substitute (rehire)
Chung, Mi Yong	Pupil Services	Instructional Assistant, I	11/6	3.50	\$18.48 per hr.	6/1/2020	Longevity – 10 years
Douglas, Rachel	District	Noon Duty Supervisor, Substitute	6		\$13.00 per hr.	3/5/2020	Substitute
Emery, Yvonne	Olga Reed	Instructional Assistant, I	11/6	3.92	\$18.48 per hr.	6/30/2020	Retirement
Ens, Anne	District	Noon Duty Supervisor, Substitute	6		\$13.00 per hr.	3/9/2020	Substitute
Garnica, Terry	Nightingale	Office Manager	21/6	8.0	\$1,000.00 annually	2/1/2020	Educational Stipend – Bachelor's
Garrett, Austin	Orcutt JH	Noon Duty Supervisor	6/3	1.25	\$14.11 per hr.	3/16/2020	Permanent/Probationary
Gonzalez, Reyes	Olga Reed/Orcutt Academy K-8	Office Assistant	14/6	3.5	\$19.90 per hr.	6/5/2020	Retirement
Hiramatsu, Dale	Orcutt JH	Instructional Assistant, I	11/4	3.5	\$1,000.00 annually	9/1/2019	Educational Stipend – Bachelor's (retroactive)
Hoffman, Rachel	Patterson	Noon Duty Supervisor, Substitute	6		\$13.00 per hr.	3/9/2020	Substitute
Martinez, Ismael	Operations	Utility Worker, Substitute	18		\$16.36 per hr.	3/15/2020	Substitute
McIntyre, Laura	Campus Connection	Child Care Assistant, Substitute	6/6		\$16.33 per hr.	3/5/2020	Substitute
Ridenour, Cynthia	Nightingale	Instructional Assistant, I	11/6	6.0	\$18.48 per hr.	6/30/2020	Request Early Retirement Incentive Program
Rodriguez, Diego	Operations	Utility Worker, Substitute	18		\$16.36 per hr.	3/18/2020	Substitute

Classified Personnel Action Report  
Orcutt Union School District  
April 8, 2020



TO: Deborah Blow, Ed.D.

SUBMITTED BY: Susan Salucci, Assistant Superintendent/Human Resources

SUBJECT: Recommendations for Board Approval

Name	Site/Dept.	Classification	Step/ Range	Hours	Rate of Pay	Effective	Action/Information
Ruiz, Crystal	Campus Connection	Child Care Assistant, Substitute	6/3		\$14.11 per hr.	8/19/2019	Substitute
Ruiz, Jewel	Campus Connection	Child Care Assistant, Substitute	6		\$13.00 per hr.	3/9/2020	Substitute
Smith, Audrey	Lakeview JH	Child Nutrition Worker	7/3	2.0	\$14.46 per hr.	3/20/2020	Resignation
Stanley, Meghann	Dunlap	Instructional Assistant, I	11/6	6.0	\$50.00 per mo.	4/01/2020	Additional Professional Growth Increment (total of 4)
Steels, Barbera	Campus Connection, Dunlap	Child Care Coordinator	16/1	3.75	\$16.38 per hr.	3/24/2020	Promotion
Venancio, Kimberly	Nightingale	Instructional Assistant, I	11/4	3.5	\$16.76 per hr.	9/1/2019	Educational Stipend – Bachelor's (retroactive)
Weekley, Kimberly	Nightingale	Instructional Assistant, I	11/6	6.0	\$18.48 per hr.	6/30/2020	Request Early Retirement Incentive Program



Certificated Personnel Action Report  
Orcutt Union School District  
April 8, 2020

TO: Dr. Deborah Blow, Superintendent

FROM: Susan Salucci, Assistant Superintendent / Human Resources

RE: Recommendations for Board Approval and Ratification

NAME	SCHOOL	CLASS/STEP	SALARY	EFFECTIVE DATE	ACTION INFORMATION
Ahler, Laura	Joe Nightingale	Extra Duty	\$40/hr	2/3/20	IEP Meeting, 1.25 hrs
Alter, Sara	Ralph Dunlap	Hourly	\$25	2/3-2/28/20	Intervention, 66 hrs
Anadon, Alyssa	Joe Nightingale	Extra Duty	\$47.10/hr	2/11-2/13/20	IEP Meetings, 2 hrs
Baldwin, Beth	Lakeview JHS	Extra Duty	\$40/hr	2/4-2/18/20	IEP Meeting, 1.25 hrs
Barba, Patricia	Alice Shaw	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Barbour, Katherine	Patterson Road	Extra Duty	\$40/hr	2/29/20 2/4-2/27/20 2/6-2/25/20	iPad/Chromebook Academy, 5 hrs After School Computer, 7 hrs IEP Meetings, 1.75 hrs
Barr, Tiffany	Orcutt Academy I/S	Extra Duty	\$40/hr	2/13/20	SIPPs Training, 2 hrs
Batchelor, Melanie	Pine Grove	Hourly	\$25	2/3-2/26/20	Art Enrichment, 49.5 hrs
Belanger, Rebecca	Pine Grove	Extra Duty	\$40/hr	2/5-2/27/20	IEP Meetings, 2.5 hrs
Birdsall, Swapna	Orcutt Academy K-8	Extra Duty	\$40/hr	2/25/20 2/29/20	IEP Meeting, 1 hr iPad/Chromebook Academy, 6 hrs
Blanchard, Kimberly	Joe Nightingale	Hourly	\$25	2/3-2/28/20	Intervention, 90.5 hrs
Bormes, Lori	Ralph Dunlap	Hourly	\$25	2/3-2/26/20	Art Enrichment, 52 hrs
Bornhoft, Kristin	Orcutt Academy HS	Extra Duty	\$40/hr	2/5/20	Worked Prep, .5 hr
Brandt, Micaela	Patterson Road	V-20	\$93,119 *	2020-21	Job Share, 50%
Brickey, Patrick	Lakeview JHS	Extra Duty	\$40/hr	2/5-2/26/20 2/7/20	After School Computer, 2 hrs Worked Prep, 1 hr
Brown, Lindsay	Joe Nightingale	III-9 Extra Duty	\$62,931 * \$40/hr	2020-21 2/24/20	Job Share, 50% IEP Meeting, 1.25 hrs
Buchanan, Sarah	Pine Grove	Hourly	\$25	2/3-2/28/20 2/3-2/28/20	After School Computer, 14.5 hrs Intervention, 63.75 hrs
Buentiempo, Sara	Alice Shaw	Hourly	\$25	2/3-2/28/20 2/13/20	Intervention, 66 hrs SIPPS Training, 1.5 hrs
Byrne, Jennifer	Patterson Road	Extra Duty	\$40/hr	2/29/20	iPad/Chromebook Academy, 2.5 hrs
Cain, Kelli	Patterson Road	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs

\*To be prorated

<b>NAME</b>	<b>SCHOOL</b>	<b>CLASS/ STEP</b>	<b>SALARY</b>	<b>EFFECTIVE DATE</b>	<b>ACTION INFORMATION</b>
Callis, Wendy	Patterson Road	IV-3	\$54,065 *	2020-21	Temporary, Job Share, 50%
Cantrell, Andrea	Ralph Dunlap	Hourly	\$25	2/13/20	SIPPS Training, 2 hrs
Carter, Krista	Orcutt JHS / Lakeview JHS	Extra Duty	\$40/hr	2/29/20 2/1/20	iPad/Chromebook Academy, 6 hrs Digital Media Academy, 6 hrs
Chambless, Amy	Alice Shaw	Extra Duty	\$47.10/hr	2/3-2/25/20	IEP Meetings, 4.67 hrs
Cleveland, Paul	Lakeview JHS	Extra Duty	\$40/hr	2/29/20 1/13-2/26/20	iPad Academy, 2.5 hrs Sysop, 10 hrs
Coburn, Josie	Joe Nightingale / Patterson Rd/ Alice Shaw	Extra Duty	\$40/hr	2/3-2/28/20 2/11-2/26/20	After School Band, 17 hrs Band at Basketball Games, 10 hrs
Coffey, Jody	Alice Shaw	Extra Duty	\$40/hr	2/13/20	IEP Meeting, 1.25 hrs
Cole, Cristy	Orcutt Academy K-8	Extra Duty	\$40/hr \$50/ea	2/6/20 2/5-2/27/20	Kinder Task Force, 1.5 hrs JH Sports Supervisor, 3 games
Collison, Deirdre	Alice Shaw	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 1.75 hrs
Cornwell, Karen	Joe Nightingale	Extra Duty	\$40/hr	2/13/20 2/18/20	SIPPS Training, 2 hrs Writing Calibration, 2 hrs
Craft, Cheri	Ralph Dunlap	Extra Duty	\$40/hr	2/2-2/27/20 2/12/20	After School Computer, 13 hrs IEP Meeting, 1.5 hrs
Cutler, Elizabeth	Lakeview JHS	VI-9 Extra Duty	\$72,327 * \$50/ea \$40/hr	2020-21 2/25/20 2/28/20	Temporary, 60% JHS Sport Supervisor, 1 game Worked Prep, 1 hr
Dahl, Cheryl	Joe Nightingale	Extra Duty	\$40/hr	2/6-2/11/20 2/7-2/20/20	IEP Meetings, 1.75 hr Home & Hospital, 5.25 hrs
Danielson, Lisa	Ralph Dunlap	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Day, Michelle	Pine Grove / Olga Reed	Extra Duty	\$47.10/hr	2/13-2/28/20	IEP Meetings, 5.75 hrs
Dell'Armo, John	Orcutt Academy HS	Extra Duty	\$40/hr	1/21-2/25/20 2/29/20	Intervention, 12 hrs iPad/Chromebook Academy, 5.33 hrs
Doerksen, Allie	Pine Grove	Extra Duty	\$40/hr	2/13/20	IEP Meeting, .5 hr
Edds, John	District	Hourly	\$25	2/3-2/28/20	ELPAC Testing, 83 hrs
Espinoza, Gabriel	Orcutt JHS	Extra Duty	\$40/hr	2/13-2/28/20	Worked Prep, 3.5 hrs
Eubanks, Lauren	Orcutt Academy HS	VI-8 Extra Duty	\$69,972 \$40/hr	2020-21 2/4-2/18/20	Return to Full-Time Status Tutoring, 1.5 hrs
Fargher, Meghan	Alice Shaw	Hourly	\$25	2/6/20	NWEA Testing, .75 hrs
Felix, Danielle	Patterson Road	V-11	\$73,772 *	2020-21	Job Share, 50%
Fenske, Christina	Orcutt Academy K-8 / Olga Reed	Hourly	\$25	2/7-2/28/20 2/4-2/25/20	Garden Educator, 22 hrs Garden Educator, 16 hrs
Fichter, Megan	Lakeview JHS	Extra Duty	\$40/hr	2/4-2/27/20	Detention, 6 hrs
Frantz, Michele	Joe Nightingale	Extra Duty	\$40/hr	2/6/20 2/29/20	Kinder Task Force, 1.75 hrs iPad/Chromebook Academy, 6 hrs
Fraser, Jamie	Pine Grove	Extra Duty	\$47.10/hr	2/4-2/18/20	IEP Meetings, 3.5 hrs

\*To be prorated

<b>NAME</b>	<b>SCHOOL</b>	<b>CLASS/ STEP</b>	<b>SALARY</b>	<b>EFFECTIVE DATE</b>	<b>ACTION INFORMATION</b>
Fredriks, Ty	Orcutt Academy HS	Extra Duty	\$40/hr	2/3-2/25/20	Intervention, 6 hrs
Freeland, Susan	Joe Nightingale	Hourly	\$25	2/3-2/28/20	Intervention, 99.5 hrs
Freitas, Jennifer	District	Hourly	\$25	2/3-2/28/20	ELPAC Testing, 71.5 hrs
Garcia, Deedra	Patterson Road	Hourly	\$25	2/4-2/27/20 2/3-2/28/20	After School Computer, 6 hrs Intervention, 57 hrs
Gelotti, Scott	Orcutt Academy HS	Extra Duty	\$40/hr	2/3-2/25/20 2/21/20	Detention, 6 hrs Worked Prep, 1 hr
Greenup, Kelly	Joe Nightingale	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Greenup, Miles	Ralph Dunlap	Extra Duty V-20	\$40/hr \$93,119	2/18/20 6/5/20	Writing Calibration, 2 hrs Request to Participate in Early Retirement
Grennan-Slider, Julie	Joe Nightingale	Extra Duty	\$40/hr	2/4-2/24/20	After School Computer, 5 hrs
Guerrero, Angeli	Joe Nightingale	Extra Duty	\$47.10/hr	2/3-2/5/20	IEP Meetings, 4.75 hrs
Hadley, Amanda	Patterson Road	Hourly	\$25	2/3-2/28/20 2/13/20	Intervention, 72 hrs SIPPS Training, 2 hrs
Hamilton, Jeff	Alice Shaw	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Harlow, Kayla	Ralph Dunlap	VI-7 Extra Duty	\$63,363* \$40/hr	2020-21 1/24-1/31/20	Job Share, 50% ELD/Math Training, 12 hrs
Hart, Debra	Olga Reed	Hourly	\$25	2/3-2/28/20	Intervention, 76 hrs
Hawkins, Markie	Joe Nightingale	Extra Duty	\$40/hr	2/18-2/27/20	After School Computer, 5 hrs
Henry, Kristi	Joe Nightingale	Extra Duty	\$47.10/hr	2/3-2/27/20	IEP Meetings, 6 hrs
Hernandez, Selina	Lakeview JHS	Extra Duty	\$50/ea	2/18/20	JH Sport Supervisor, 1 game
Horton, Troy	Alice Shaw	Extra Duty	\$40/hr	2/4/20	IEP Meetings, 1 hr
Hotchkiss, Molly	Ralph Dunlap	Hourly	\$25	2/3-2/19/20	RSP Testing, 14.75 hrs
Hughes, Michelle	District	Hourly	\$25	2/4-2/28/20 2/3/20	NWEA Testing, 75 hrs ELPAC Testing, 3.5 hrs
Humann, Patricia	Patterson Road	Hourly	\$25	2/11-2/18/20 2/3-2/28/20	After School Intervention, 2 hrs Intervention, 74.75 hrs
Ibarra, Emily	Joe Nightingale	Hourly	\$25	2/3-2/26/20	Art Enrichment, 51 hrs
Jackson, Nicole	Alice Shaw	IV-7	\$61,698 *	2020-21	Temporary, Job Share, 40%
Johnson, Alicia	Ralph Dunlap	Extra Duty	\$40/hr	2/29/20	iPad/Chromebook Academy, 6 hrs
Johnson, Melissa	Ralph Dunlap	Hourly	\$25	2/17/20 2/14/20	Report Cards, long term sub, 6 hrs NWEA Testing, .75 hr
Jones, Cara	Joe Nightingale	Hourly	\$25	2/4-2/28/20 2/4-2/28/20	Overage, 24 hrs Intervention, 29 hrs
Jones, Kari	Patterson Road	Hourly	\$25	2/18/20	Shadow for long term, 3.25 hrs
Jorgensen, Sheri	Joe Nightingale	Extra Duty	\$40/hr	2/13-2/25/20 2/5/20	After School Computer, 3 hrs IEP Meeting, 1 hr

\*To be prorated

<b>NAME</b>	<b>SCHOOL</b>	<b>CLASS/ STEP</b>	<b>SALARY</b>	<b>EFFECTIVE DATE</b>	<b>ACTION INFORMATION</b>
Kaczor, Grace	Ralph Dunlap	Extra Duty	\$47.10/hr	1/13-2/28/20 2/13/20	IEP Meetings, 4.5 hrs SIPPS Training, 1.5 hrs
Kantorowski, Jennifer	Olga Reed / Orcutt Academy K-8 District	Hourly	\$25	2/3-2/28/20 2/3-2/28/20	Intervention, 57.5 hrs NWEA Testing, 37.9 hrs
Kintzi, Dona	Orcutt Academy HS	Extra Duty	\$40/hr	2/7/20	Worked Prep, 1 hr
Kirkland, Keri	Lakeview JHS	Extra Duty	\$40/hr	2/4-2/25/20	After School Computer Lab, 4 hrs
Kliewer, Janna	Pine Grove	Hourly	\$25	2/11/20	Art Enrichment, 6.5 hrs
Kozel, Aaron	Ralph Dunlap	Extra Duty	\$40/hr	2/3-2/27/20 2/18/20	After School Computer, 13 hrs Writing Calibration, 1 hr
Kuykendall, Colleen	District	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Laflin, Debra	Olga Reed	Extra Duty	\$40/hr \$50/ea	2/13-2/28/20 2/20/20	IEP Meeting, 3 hrs JH Sport Supervisor, 1 game
Lake, Cathy	District	Extra Duty	\$40/hr	2/6/20 2/18/20 2/19/20	Kinder Task Force, 1.75 hrs Writing Calibration, 2 hrs ELPAC Testing Training, 1 hr
Lara, Nichol	Alice Shaw	Hourly	\$25	2/3-2/28/20	Intervention, 66 hrs
Larrabee, Jennifer	Patterson Road	Hourly	\$25	2/5-2/28/20	Art Enrichment, 70.5 hrs
Leach, Veronica	Olga Reed	Hourly	\$25	2/3-2/28/20 2/7-2/28/20	Intervention, 67.5 hrs Art Enrichment, 7.5 hrs
Lee, Mary	Ralph Dunlap	IV-6 Extra Duty	\$59,691 \$40/hr	2020-21 2/1/20	Return to Full-Time Status Digital Media Academy, 3.75 hrs
Lee, Tanya	Olga Reed	Extra Duty	\$40/hr	2/6/20	IEP Meeting, 1 hr
Leyden, Candance	Alice Shaw	Hourly	\$25	2/13-2/21/20 2/3-2/26/20	SIPPS, 26 hrs ELPAC Testing, 24.5 hrs
Lopez, Desiree	Orcutt Academy HS	Extra Duty	\$40/hr	2/3-2/25/20 2/29/20	Tutoring, 6 hrs iPad/Chromebook Academy, 5.33 hrs
Lopez, Shannon	Joe Nightingale	Extra Duty	\$47.10/hr \$40/hr	2/20/20 2/6/20	IEP Meeting, 1.25 hrs Kinder Task Force, 1.75 hrs
Macdonald, Crista	Alice Shaw	Extra Duty	\$40/hr	2/6/20	Kinder Task Force, 1.75 hrs
Maderas, Ronald	Pine Grove	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Mahoney, Gloria	Patterson Road	V-19 Extra Duty	\$91,069 * \$40/hr	2020-21 2/18/20	Job Share, 50% Writing Calibration, 2 hrs
Majewski, Katlin	Pine Grove	Hourly	\$25	2/3-2/28/20 2/4-2/25/20	Intervention, 67.5 hrs After School Computer, 16 hrs
Manich, Cher	Olga Reed / Orcutt Academy K-8	Extra Duty	\$40/hr	2/18/20 2/29/20	Writing Calibration, 2 hrs iPad/Chromebook Academy, 6 hrs
Mason, Caryn	Orcutt Academy I/S	Hourly	\$30	2/4-2/27/20	Support Teacher, 96 hrs
Mason, Joel	Orcutt Academy HS	Extra Duty	\$40/hr	2/21/20	Worked Prep, 1 hr
Mason, Joshua	Orcutt Academy HS	Extra Duty	\$40/hr	2/13/20 2/20/20	IEP Meeting, 1.25 hrs Intervention, 1 hr

\*To be prorated

<b>NAME</b>	<b>SCHOOL</b>	<b>CLASS/STEP</b>	<b>SALARY</b>	<b>EFFECTIVE DATE</b>	<b>ACTION INFORMATION</b>
Matautia, Jewelee	Orcutt Academy K-8	Hourly	\$25	2/3-2/27/20 2/3-2/28/20	Art Enrichment, 3.5 hrs Intervention, 90.5 hrs
McKeone, Haylee	Patterson Road	Extra Duty	\$47.10/hr	2/3-2/27/20	IEP Meetings, 6 hrs
Millan, Laurie	Alice Shaw	Hourly	\$25	2/3-2/28/20 2/5/20	Intervention, 60 hrs Intervention Training, 3 hrs
Millin, Genevieve	Orcutt JHS	Extra Duty	\$40/hr	2/12-2/26/20	Homework Club, 3 hrs
Murch, Tamara	Orcutt JHS	I-2 Hourly Extra Duty	\$45,536 \$2,500 \$25 \$40/hr	2020-21 2/3-2/27/20 2/7-2/28/20 2/25/20	Probationary 2 2 <sup>nd</sup> year of 2 year signing bonus ELD Support Teacher, 28 hrs Worked Prep, 7 hrs IEP Meeting, .5 hr
Mussell, Katelyn	Pine Grove	Extra Duty	\$40/hr	2/7/20 2/18/20	IEP Meeting, .5 hr Writing Calibration, 2 hrs
Musumeci, Tracie	District	Hourly	\$25	2/3-2/27/20	ELPAC Testing, 32 hrs
Naess, Jennifer	Patterson Road	Extra Duty	\$47.10/hr	2/27/20	IEP Meetings, 5.67 hrs
Nordwall, Jubilee	Orcutt JHS	Extra Duty	\$40/hr	2/5/20 2/3-2/19/20	Homework Club, 1 hrs IEP Meetings, 2 hrs
Nye, Judy	Olga Reed / Orcutt Academy K-8	Extra Duty	\$47.10/hr	2/6-2/25/20	IEP Meetings, 3.25 hrs
Olson-Sanchez, Alysha	Orcutt Academy HS	Extra Duty	\$40/hr	2/21/20 2/29/20	Worked Prep, 1 hr iPad/Chromebook Academy, 5.33 hrs
Parker, Jessica	Joe Nightingale	Extra Duty	\$47.10/hr	2/25/20	IEP Meeting, 1.25 hrs
Pawley, Lise	Joe Nightingale	Extra Duty	\$40/hr	2/20/20 2/18/20	IEP Meeting, .75 hr Writing Calibration, 2 hrs
Penk, Heather	Orcutt Academy HS	Extra Duty	\$40/hr	2/3-2/27/20 2/1/20	Before/After School Library, 7.5 hrs Digital Media Academy, 1.5 hrs
Perales, Anita	Joe Nightingale	Extra Duty	\$47.10/hr	2/3-2/27/20	IEP Meetings, 6.4 hrs
Perez, Anayeli	Orcutt Academy HS	Extra Duty	\$40/hr	2/13/20	IEP Meeting, .75 hr
Perez, Cecilia	Orcutt JHS	Extra Duty	\$47.10/hr	2/6-2/25/20	IEP Meeting, 4.67 hrs
Pollock, Christin	Ralph Dunlap	V-11	\$73,772*	2020-21	Job Share, 50%
Provost, Janell	Alice Shaw	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Pugh, Caline	Pine Grove	Extra Duty	\$40/hr	2/4/20 2/18/20	IEP Meeting, 1 hr Writing Calibration, 2 hrs
Ramin, Ginger	Orcutt JHS	Extra Duty	\$47.10/hr \$40/hr	1/22-2/25/20 2/7-2/25/20	IEP Meetings, 3.25 hrs Worked Prep, 1 hr
Ramirez, Nancy	Joe Nightingale	Extra Duty	\$40/hr	2/3-2/27/20	After School Computer, 5 hrs
Ramos, Lynn	Joe Nightingale	Extra Duty	\$40/hr	2/12-2/27/20 2/18/20	IEP Meetings, 1.5 hrs Writing Calibration, 2 hrs
Reyes, Emily	Orcutt JHS	IV-3 Extra Duty	\$54,065 \$2,500 \$40/hr	2020-21 1/14-1/30/20 2/25-2/28/20	Probationary 2 2 <sup>nd</sup> year of 2 year signing bonus Detention, 5 hrs Worked Prep, 1.5 hrs

\*To be prorated



<b>NAME</b>	<b>SCHOOL</b>	<b>CLASS/ STEP</b>	<b>SALARY</b>	<b>EFFECTIVE DATE</b>	<b>ACTION INFORMATION</b>
Rhyne, Suzie	Joe Nightingale	Extra Duty	\$40/hr	2/5/20 2/3-2/27/20 2/18/20	IEP Meeting, 1 hr After School Computer, 5 hrs Writing Calibration, 2 hrs
Rianda, Terry	District	Hourly	\$50	2/4-2/25/20 2/19-2/25/20	Induction Mentor, 18 hrs Intern/New Teacher Mentor, 2 hrs
Richardson, Laura	Joe Nightingale	Hourly	\$25	2/3-2/28/20 2/13/20	Intervention, 96.75 hrs SIPPS Training, 2 hrs
Robertson, Don	District	Extra Duty	\$40/hr	2/11-2/28/20	Home & Hospital, 7 hrs
Ross, Ellery	Ralph Dunlap	III-6	\$56,991	2020-21	Return to Fill-Time Status
Rowland, JoAnn	Alice Shaw	Hourly	\$25	2/5-2/28/20	Art Enrichment, 64 hrs
Ruth, Amy	Alice Shaw	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Sage, Addison	Orcutt Academy HS	Extra Duty	\$40/hr	2/21/20	Worked Prep, 1 hr
Saleen, Julie	Patterson Road	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Salinas, Jacqueline	Alice Shaw	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Salvesen, Kris	Pine Grove	Hourly	\$25	2/3-2/7/20 2/11-2/28/20	Intervention, 16 hrs NWEA Testing, 59 hrs
Sanders, Greg	Lakeview JHS	Extra Duty	\$40/hr	2/6-2/27/20	After School Computer, 4 hrs
Savaso, Lisa	Joe Nightingale	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Scarry, Maridy	Orcutt JHS	Extra Duty	\$40/hr	2/4-2/27/20	Detention, 8 hrs
Schmid, John	Ralph Dunlap	Extra Duty	\$40/hr	2/3-2/27/20	After School Computer, 14 hrs
Schmid, Renee	Joe Nightingale	Extra Duty	\$40/hr	2/4-2/18/20	IEP Meetings, 1.67 hrs
Segura, Monique	Alice Shaw	Extra Duty	\$40/hr	2/13/20 2/6/20	SIPPS Training, 1.5 hrs Kinder Task Force, 1.75 hrs
Severance, Robert	Alice Shaw	Hourly	\$25	2/3-2/25/20 2/3-2/25/20	Intervention, 18 hrs After School Computer, 6 hrs
Shannon, Joanne	Ralph Dunlap	Extra Duty	\$40/hr	2/26/20 2/29/20	Tech Prep, 1.25 hrs iPad/Chromebook Academy, 6 hrs
Sharp, Augusta	Orcutt JHS	Extra Duty	\$47.10/hr	2/3-2/25/20	IEP Meetings, 5 hrs
Sherer, Diana	Orcutt Academy I/S	Hourly	\$30	2/3-2/28/20	Support Teacher, 128 hrs
Shuffield, Jamie	Patterson Road	Extra Duty	\$40/hr	2/4-2/25/20 2/18/20	IEP Meetings, 2 hrs Writing Calibration, 2 hrs
Silva, Julie	Pine Grove	Extra Duty	\$40/hr	2/29/20	iPad/Chromebook Academy, 5.75 hrs
Slezak, Sarah	Lakeview JH Orcutt JH Patterson Road Joe Nightingale Orcutt Academy K-8	Extra Duty	\$40/hr	2/5-2/26/20	Music PLC, 4 hrs
Slovak, Julie	Pine Grove	Extra Duty	\$40/hr	2/29/20	iPad/Chromebook Academy, 6 hrs

\*To be prorated

<b>NAME</b>	<b>SCHOOL</b>	<b>CLASS/STEP</b>	<b>SALARY</b>	<b>EFFECTIVE DATE</b>	<b>ACTION INFORMATION</b>
Smith, April	Lakeview JHS	Extra Duty Hourly	\$50/ea \$25	2/18/20 2/3-2/29/20	JH Sports Supervisor, 1 game ELD Support Teacher, 46.5 hrs
Smith, Timothy	Lakeview JHS	Extra Duty	\$40/hr	2/25/20 2/18-2/25/20	IEP Meeting, .5 hr After School Computer, 2 hrs
Smithson, Allen	Pine Grove Ralph Dunlap Olga Reed/ Orcutt Academy K-8	Extra Duty	\$40/hr	2/4-2/28/20 2/3-2/26/20 2/6-2/27/20	Before/After School Band, 8 hrs Before/After School Band, 6 hrs Before/After School Band, 3 hrs
Soriano, Yvette	Patterson Road	Extra Duty	\$40/hr	2/6/20	Kinder Task Force, 1.75 hrs
Stein, Megan	Joe Nightingale	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Streeper, Rodney	Lakeview JHS / Orcutt JHS	Extra Duty	\$40/hr	2/1/20	Digital Media Academy, 6 hrs
Taira, Myrna	Joe Nightingale	Extra Duty	\$40/hr	2/4/20	IEP Meeting, .5 hr
Taubenheim, Aniko	Ralph Dunlap	Extra Duty	\$40/hr	2/6/20	Kinder Task Force, 1.75 hrs
Thompson, Linda	District	Hourly	\$25	2/3-2/26/20	ELPAC Testing, 39.25 hrs
Tuggle, Julianne	Olga Reed District	Hourly	\$25	2/3-2/28/20 2/20-2/25/20	Overage Teacher, 24 hrs ELPAC Testing, 11.5 hrs
Tullis, Polly	Lakeview JHS	VI-20	\$97,555	2020-21	Return to Full-Time Status
Turner, Kathryn	District	Hourly	\$25	2/3-2/29/20	ELPAC Testing, 39 hrs
Tymn, Elizabeth	Pine Grove	Extra Duty	\$40/hr	2/28-2/29/20 1/22-2/6/20	iPad Academy/Prep, 2.5 hrs Kinder Task Force, 3.25 hrs
Vertrees, Katherine	Lakeview JHS	Extra Duty	\$50/ea	2/6/20	JH Sports Supervisor, 1 game
Vidal, Jerred	Lakeview JHS	Extra Duty	\$40/hr	2/29/20	iPad Academy, 3 hrs
Villasenor, Jessica	Olga Reed	Extra Duty	\$40/hr	2/29/20	iPad/Chromebook Academy, 6 hrs
Wellard, Amy	Alice Shaw	Extra Duty	\$40/hr	2/24-2/25/20 2/6/20 2/29/20	After School Computer, 2 hrs NWEA Training, .75 hr iPad/Chromebook, 3 hrs
Westhoff, Kazan	Joe Nightingale	Extra Duty	\$47.10/hr	2/6/20	IEP Meeting, 1.5 hrs
Whitehair, Steven	Patterson Road	Extra Duty	\$47.10/hr	2/5-2/24/20	IEP Meetings, 4 hrs
Whitted, Dana	Olga Reed	Hourly	\$25	2/3-2/28/20 2/6-2/27/20	Intervention, 78.25 hrs Art Enrichment, 10.5 hrs
Widle, Tiffany	Joe Nightingale	VI-14 Extra Duty	\$85,363 * \$40/hr	2020-21 2/24/20 2/6/20	Job Share, 50% IEP Meeting, 1.25 hrs Kinder Task Force, 1.75 hrs
Wiggins, Paula	Olga Reed	Extra Duty	\$40/hr	2/26/20	IEP Meeting, .75 hr
Wilson, Shauna	Orcutt Academy K-8	Extra Duty	\$40/hr	2/29/20 2/17/20 2/25/20	iPad Academy, 2.5 hrs Writing Calibration, 1.45 hrs IEP Meeting, 1 hr
Winkelpleck, Dustin	Patterson Road	Extra Duty	\$40/hr	2/4-2/27/20 2/18/20	After School Computer, 7 hrs Writing Calibration, 2 hrs
Winters, Gabriella	Ralph Dunlap	Extra Duty	\$47.10/hr	2/5-2/26/20	IEP Meetings, 5 hrs

\*To be prorated

<b>NAME</b>	<b>SCHOOL</b>	<b>CLASS/ STEP</b>	<b>SALARY</b>	<b>EFFECTIVE DATE</b>	<b>ACTION INFORMATION</b>
Woodruff, Jenna	Ralph Dunlap	Extra Duty	\$40/hr	2/18/20	Writing Calibration, 2 hrs
Yamaichi, Anna	Pine Grove	Hourly	\$25	2/3-2/28/20	Overage Teacher, 84.5 hrs
Yamamoto, Alana	Orcutt Academy HS	Extra Duty	\$47.10/hr	2/13/20	IEP Meeting, 1.25 hrs
York, Sarah	Patterson Road	Hourly	\$25	2/26/20	Staff Meeting, long term sub, 1 hr
Zamudio, Kelli	Orcutt JHS	Extra Duty	\$40/hr	1/13-2/28/20 2/13/20	Sysop, 5 hrs IEP Meeting, 1 hr
Zimmerman, Liz	Pine Grove	Extra Duty	\$40/hr	2/5-2/20/20 2/18/20	IEP Meetings, 2.5 hrs Writing Calibration, 2 hrs

\*To be prorated

## Warrants

These materials are not included in this copy of the agenda. The warrants are available for review at the District Office, 500 Dyer Street, Orcutt, CA. Monday-Friday from 7:30 am – 4:30 pm.

This procedure is in compliance with the Public Document Law, Government Code Section Number 6257.

**ORCUTT UNION SCHOOL DISTRICT  
BOARD OF TRUSTEES  
REGULAR MEETING MINUTES  
March 11, 2020  
The Los Alamos Gym in Los Alamos**

**CALL TO ORDER**

A regular meeting of the Board of Trustees of the Orcutt Union School District was held on Wednesday, March 11, 2020, in The Los Alamos Gym, beginning with Liz Phillips calling Public Session to order at 6:00 p.m. The Pledge of Allegiance was led by Mark Steller. Members Present: Phillips, Waffle, Steller, Henderson, and Morinini. Administrators Present: Blow, Edds, Salucci, Young and Fell.

**CLOSED SESSION PUBLIC COMMENTS**

Scott Geolotti, Miles Greenup, Janell Provost, Don Robertson, Troy Horton, Monique Segura, Valerie Trenev, John Chamberlain, Steve Harris, Anna Zucker, Karen Ebner and Emily Dickson, commented on OEA negotiations, including class size, special education and the salary schedule.

**ADJOURN TO CLOSED SESSION**

It was moved by Melanie Waffle seconded by Shaun Henderson and carried to adjourn to Closed Session at 6:30 p.m. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

**RECONVENE TO PUBLIC SESSION**

The meeting reconvened to Public Session at 6:45 p.m. Liz Phillips reported that no action was taken in closed session, and that they will reconvene to a second closed session. It was moved by Mark Steller, seconded by Melanie Waffle and carried to adopt the March 11, 2020, agenda as presented. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

**SUPERINTENDENT'S REPORT**

OAHS ASB officers, Nathan Calhoun, President, Jack Hinkle, Secretary and Raphael Relyea, Treasurer gave ASB updates. Kirby Fell gave an OCAF update, along with presenting an OCAF Gala video. Joe Dana introduced Jose Uribe, parent volunteer who is teaching students Ballet Folklorico. The students performed two Ballet Folklorico dances for the board. Dr. Debbie Blow gave the board a Corona Virus update.

**ITEMS FROM THE BOARD**

Melanie Waffle commented on a mental health forum she attended. Mark Steller commented on the OCAF Gala. Shaun Henderson commented on the OAHS Girls sports, and how well they did this year. Lisa Morinini thanked the teachers in attendance for all of their hard work.

**PUBLIC COMMENT**

Madeleine Nantze commented on the Public Health Crisis, Corona Virus. Phyllis Jackson gave a CSEA update. Kathleen Stevenson commented on nurse services in Los Alamos.

**WRITTEN COMMUNICATION**

None

**CONSENT AGENDA ITEMS**

- A. Classified Personnel Action Report
- B. Certificated Personnel Action Report
- C. OAHS Hiring of Additional Coaches
- D. Approval of Warrants
- E. Orcutt Junior High School overnight trip to Disney Resort "YES" Programs, April 3<sup>rd</sup> – April 4<sup>th</sup>, 2020
- F. OAHS Boys Golf Team CIF-CS Trip
- G. OAHS Track & Field Team CIF-CS Trip
- H. OAHS Boys Tennis Team CIF-CS Trip
- I. OAHS Baseball CIF-CS Trip
- J. OAHS Softball Team CIF-CS Trip
- K. Minutes, Special Board Meeting, February 3, 2020

- L. Minutes, Special Board Meeting, February 5, 2020
- M. Minutes, Special Board Meeting, February 7, 2020
- N. Minutes, Board Meeting, February 12, 2020
- O. Minutes, Special Board Meeting, February 26, 2020
- P. BP 0420.42 Charter Renewal, for second reading
- Q. BP 0450, Comprehensive Safety Plan, for second reading

It was moved by Melanie Waffle, seconded by Shaun Henderson and carried to approve consent agenda items A - Q, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **ACTION AGENDA ITEMS**

It was moved by Shaun Henderson, seconded by Lisa Morinini, and carried to approve the acceptance of gifts, and that a letter of acceptance and appreciation be sent to Nancy Helgeland, Melanie Waffle, Tanya Karstrom, and Wendy Umsteadt. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **Presentation on Facilities Update and Series A & B Funding Update**

Bill Young, Assistant Superintendent of Business Services gave a Facilities Update, Series A & B Funding Update, and a Gallery Walk of all upcoming construction projects for 2019-20.

### **Orcutt Union School District Second Interim Report 2019-2020**

It was moved by Lisa Morinini, seconded by Melanie Waffle, and carried to approve the Second Interim Report 2019-2020, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **Award of Bid for the Pine Grove School Site Safety Security/Parking Lot for the Measure G Bond**

It was moved by Melanie Waffle, seconded by Shaun Henderson, and carried to approve the award of the bid for the Pine Grove School Site Safety Security and Parking Lot Project to RDZ Contractors, as they were the lowest, responsive, and responsible bidder. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **Pine Grove School Site Safety Security and Parking Lot Budget for the Measure G Bond**

It was moved by Shaun Henderson, seconded by Lisa Morinini, and carried to approve the Pine Grove School Site Safety Security and Parking Lot Budget for the Measure G Bond, as submitted. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

### **Award of Bid for the Olga Reed Cafeteria Project for the Measure G Bond**

It was moved by Mark Steller, seconded by Shaun Henderson, and carried to award the bid for the Olga Reed Cafeteria Project to Pre Con Industries, as they were the lowest, responsive, and responsible bidder. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **Olga Reed Cafeteria Project Budget for the Measure G Bond**

It was moved by Mark Steller, seconded by Shaun Henderson, and carried to approve the Olga Reed Cafeteria Project budget for the Measure G Bond, as submitted. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

### **Award of Bid for the OAHS Restroom Modernization Project for the Measure G Bond**

It was moved by Shaun Henderson, seconded by Lisa Morinini, and carried to award the bid for the Orcutt Academy High School Restroom Modernization project to Pre Con Industries, as they were the lowest, responsive, and responsible bidder. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **OAHS Restroom Modernization Project Budget for the Measure G Bond**

It was moved by Lisa Morinini, seconded by Shaun Henderson, and carried to approve the Orcutt Academy Restroom Modernization project budget for the Measure G Bond, as submitted. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

### **Award of Bid for the Innovation Project for the Measure G Bond**

It was moved by Shaun Henderson, seconded by Lisa Morinini, and carried to award the bid for the Orcutt Academy High School Restroom Modernization project to Quincon, Inc., as they were the lowest, responsive, and responsible bidder. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

### **Innovation Building Project Budget for the Measure G Bond**

It was moved by Shaun Henderson, seconded by Lisa Morinini, and carried to approve the Innovation Building project budget for the Measure G Bond, as submitted. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

**Board Policy 3550, Food Service/Child Nutrition**

It was moved by Melanie Waffle, seconded by Shaun Henderson, and carried to approve the revisions made to Board Policy 3550, Food Service/Child Nutrition, for the first reading, and that it be placed on the next Consent Agenda for the second reading. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

**Board Policy 3554, Other Food Sales**

It was moved by Mark Steller, seconded by Shaun Henderson, and carried to approve the revisions to Board Policy 3554, Other Food Sales, for the first reading and that it be placed on the next Consent Agenda for second reading. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

**Western Governors University Addendum to Tier 1 Agreement for Teacher Candidates**

It was moved by Shaun Henderson, seconded by Lisa Morinini, and carried to approve the Western Governors University Addendum to Tier 1 Agreement for Teacher Candidates, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

**University of Southern California (USC) School/School District Placement Agreement for Student Teacher**

It was moved by Lisa Morinini, seconded by Shaun Henderson, and carried to approve the University of Southern California (USC) School/School District Placement Agreement for Student Teacher, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

**E-rate Category 2 Switch Purchase**

It was moved by Mark Steller, seconded by Shaun Henderson, and carried to approve E-rate Category 2 Switch Purchase, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

**E-rate Category 2 Wireless Access Point Purchase**

It was moved by Shaun Henderson, seconded by Lisa Morinini, and carried to approve E-rate Category 2 Wireless Access Point Purchase, as submitted. Ayes: Phillips, Waffle, Steller, Henderson, and Morinini.

**GENERAL ANNOUNCEMENTS**

Unless otherwise noticed, the next regular board meeting is scheduled for Wednesday, April 8, 2020, with Closed Session starting at 6:00 p.m., Public Session at 6:45 p.m. in the District Office Board Room, 500 Dyer Street, Orcutt, CA.

**ADJOURN TO CLOSED SESSION**

It was moved by Melanie Waffle, seconded by Mark Steller and carried to adjourn to closed session at 8: 29 pm.

**RECONVENE TO PUBLIC SESSION**

It was moved by Lisa Morinini, seconded by Melanie Waffle and carried to reconvene to Public Session at 9:30 PM. Liz Phillips reported that no action was taken in closed session.

**ADJOURN**

It was moved by Melanie Waffle, seconded by Shaun Henderson and carried to adjourn the meeting at 9:30 PM.

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Deborah L. Blow, Ed.D. Board Secretary

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Melanie Waffle, Clerk, Board of Trustees

**ORCUTT UNION SCHOOL DISTRICT  
BOARD OF TRUSTEES  
SPECIAL CLOSED SESSION BOARD MEETING  
Monday, March 30, 2020**

**CALL TO ORDER**

A special Board meeting of the Board of Trustees of the Orcutt Union School District was held on Monday, March 30, 2020, beginning with Liz Phillips calling Public Session to order at 2:00 p.m. Melanie Waffle led the Pledge of Allegiance. Members Present: Morinini, Phillips, Waffle, Steller, and Henderson. Present via Teleconference: Fred Van Leuven, and Peggy Lynch Leadership Associates. It was moved by Melanie Waffle seconded by Lisa Morinini and carried to adopt the March 30, 2020, agenda, as presented. Ayes: Phillips, Waffle, Steller, Henderson and Morinini.

**CLOSED SESSION PUBLIC COMMENTS**

None

**ADJOURN TO CLOSED SESSION**

It was moved by Melanie Waffle, seconded by Lisa Morinini and carried to adjourn to Closed Session at 2:00 p.m.

**RECONVENE TO PUBLIC SESSION**

The meeting reconvened to Public Session at 4:15 p.m. Liz Phillips reported that no action was taken in closed session

**ADJOURN**

It was moved by Melanie Waffle, seconded by Lisa Morinini and carried to adjourn the meeting at 4:15 p.m.

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Deborah Blow, Ed.D., Board Secretary

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Melanie Waffle, Clerk, Board of Trustees



## **FOOD SERVICE/CHILD NUTRITION PROGRAM**

The **Governing** Board ~~of Trustees~~ recognizes that adequate, nourishing food is essential to student health, development, and ability to learn. The Superintendent or designee shall develop strategies to increase students' access to the district's food service programs and to maximize their participation in available programs.

Foods and beverages available through the district's food service program shall:

1. Be carefully selected so as to contribute to students' nutritional well-being and the prevention of disease

(cf. 5141.27 - Food Allergies/Special Dietary Needs)

2. Meet or exceed nutrition standards specified in law and administrative regulation

(cf. 3552 - Summer Meal Program)

(cf. 3554 - Other Food Sales)

(cf. 5030 - Student Wellness)

(cf. 5148 - Child Care and Development)

(cf. 5148.2 - Before/After School Programs)

(cf. 5148.3 - Preschool/Early Childhood Education)

3. Be prepared in ways that will appeal to students, retain nutritive quality, and foster lifelong healthful eating habits

4. Be served in age-appropriate portions

5. Be available to students who meet federal eligibility criteria at no cost or at reduced prices, and to other students at reasonable prices

(cf. 3551 - Food Service Operations/Cafeteria Fund)

(cf. 3553 - Free and Reduced Price Meals)

**The district's food service program shall give priority to serving unprocessed foods and fresh fruits and vegetables.**

**District schools are encouraged to establish school gardens and/or farm-to-school projects to increase the availability of safe, fresh, seasonal fruits and vegetables for school meals and to support the district's nutrition education program.**

(cf. 6142.8 - Comprehensive Health Education)

## FOOD SERVICE/CHILD NUTRITION PROGRAM

BP 3550 (b)

To encourage student participation in school meal programs, schools may offer multiple choices of food items within a meal service, provided all food items meet nutrition standards and all students are given an opportunity to select any food item.

The Superintendent or designee may invite students and parents/guardians to participate in the selection of foods of good nutritional quality for school menus.

The Board desires to provide students with adequate time and space to eat meals. To the extent possible, school, recess, and transportation schedules shall be designed to encourage participation in school meal programs.

The Superintendent or designee shall periodically review the adequacy of school facilities for cafeteria eating and food preparation.

(cf. 1312.4 - Williams Uniform Complaint Procedures)

(cf. 3517- Facilities Inspection)

(cf. 7110 - Facilities Master Plan)

In accordance with law, the Superintendent or designee shall develop and maintain a food safety program in order to reduce the risk of foodborne hazards at each step of the food preparation process, from receiving to service.

The Superintendent or designee shall annually report to the Board on student participation in the district's nutrition programs and the extent to which the district's food services program meets state and federal nutrition standards for foods and beverages. In addition, the Superintendent or designee shall provide all necessary and available documentation required for the Administrative Review conducted by the California Department of Education (CDE) to ensure the food service program's compliance with federal requirements related to nutrition standards, meal patterns, provision of drinking water, school meal environment, food safety, and other areas as required by the CDE.

(cf. 0500 - Accountability)

(cf. 3555 - Nutrition Program Compliance)

Legal Reference:

EDUCATION CODE

35182.5 Contracts, non-nutritious beverages

38080-38103 Cafeteria, establishment and use

45103.5 Contracts for management consulting services; restrictions

49430-49436 Pupil Nutrition, Health, and Achievement Act of 2001

49490-49494 School breakfast and lunch programs

49500-49505 School meals

49510-49520 Nutrition

49530-49536 Child Nutrition Act

49540-49546 Child care food program

## **FOOD SERVICE/CHILD NUTRITION PROGRAM**

BP 3550 (c)

49547-49548.3 Comprehensive nutrition services  
49550-49562 Meals for needy students  
49570 National School Lunch Act  
51795-51797 School gardens  
HEALTH AND SAFETY CODE  
113700-114437 California Retail Food Code  
CODE OF REGULATIONS, TITLE 5  
15510 Mandatory meals for needy students  
15530-15535 Nutrition education  
15550-15565 School lunch and breakfast programs  
15575-15578 Requirements for foods and beverages outside federal meal programs  
UNITED STATES CODE, TITLE 42  
1751-1769j National School Lunch Program, including:  
1758b Local wellness policy  
1761 Summer Food Service Program and Seamless Summer Feeding Option  
1769a Fresh Fruit and Vegetable Program  
1771-1793 Child nutrition, especially:  
1772 Special Milk Program  
1773 National School Breakfast Program  
CODE OF FEDERAL REGULATIONS, TITLE 7  
210.1-210.31 National School Lunch Program  
215.1-215.18 Special Milk Program  
220.1-220.21 National School Breakfast Program  
245.1-245.13 Eligibility for free and reduced-price meals and free milk

### **Management Resources:**

#### **CSBA PUBLICATIONS**

Building Healthy Communities: A School Leader's Guide to Collaboration and Community Engagement, 2009  
Nutrition Standards for Schools: Implications for Student Wellness, Policy Brief, rev. October 2007  
Monitoring for Success: Student Wellness Policy Implementation Monitoring Report and Guide, 2007  
Student Wellness: A Healthy Food and Physical Activity Policy Resource Guide, rev. April 2006  
CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS  
School Meals Initiative Summary  
Healthy Children Ready to Learn, January 2005  
[Professional Standards in the School Nutrition Programs, Management Bulletin SNP-17-2016, October 2016](#)

#### **CALIFORNIA PROJECT LEAN PUBLICATIONS**

Policy in Action: A Guide to Implementing Your Local School Wellness Policy, October 2006  
U.S. DEPARTMENT OF AGRICULTURE PUBLICATIONS  
School Breakfast Toolkit  
Fresh Fruit and Vegetable Program: Handbook for Schools, December 2010

## **FOOD SERVICE/CHILD NUTRITION PROGRAM**

BP 3550 (d)

Food Buying Guide for Child Nutrition Programs, December 2007

Civil Rights Compliance and Enforcement - Nutrition Programs and Activities, FNS Instruction 113-1, November 2005

Guidance for School Food Authorities: Developing a School Food Safety Program Based on the Process Approach to HACCP Principles, June 2005

Dietary Guidelines for Americans, 2005

### **WEB SITES**

CSBA: <http://www.csba.org>

California Department of Education, Nutrition Services Division: <http://www.cde.ca.gov/ls/nu>

California Department of Public Health: <http://www.cdph.ca.gov>

California Farm Bureau Federation: <http://www.cfbf.com>

California Food Policy Advocates: <http://www.cfpa.net>

California Healthy Kids Resource Center: <http://www.californiahealthykids.org>

California Project LEAN (Leaders Encouraging Activity and Nutrition):

<http://www.californiaprojectlean.org>

California School Nutrition Association: <http://www.calsna.org>

Centers for Disease Control and Prevention: <http://www.cdc.gov>

National Alliance for Nutrition and Activity: <http://www.cspinet.org/nutritionpolicy/nana.html>

U.S. Department of Agriculture, Food and Nutrition Service: <http://www.fns.usda.gov/fns>

Policy Adopted: 6/8/11 4/8/20

ORCUTT UNION SCHOOL DISTRICT  
Orcutt, California

## Business and Non-Instructional Operations

### OTHER FOOD SALES

BP 3554 (a)

The **Governing** Board of Trustees believes that foods and beverages **at school during the school day should be aligned with the district's goals to promote student wellness.** ~~— sold to students on school campuses during the school day should promote student health and reduce childhood obesity.~~ Any food sales conducted outside the district's food service program shall meet nutritional standards specified in law, Board policy, and administrative regulations and shall not reduce student participation in the district's food service program.

(cf. 3550 - Food Service/Child Nutrition Program)

(cf. 3551 - Food Service Operations/Cafeteria Fund)

(cf. 3553 - Free and Reduced Price Meals)

(cf. 5030 - Student Wellness)

(cf. 5141.27 - Food Allergies/Special Dietary Needs)

The Board authorizes the Superintendent or designee to approve the sale of foods and beverages outside the district's food service program, including sales by student or adult **school-connected** organizations, sales through vending machines, and/or sales at secondary school student stores for fundraising purposes.

(cf. 1230 - School-Connected Organizations)

(cf. 1321 - Solicitations of Funds from and by Students)

~~Food sales are prohibited during school hours, and within one hour before and after school hours, unless the organization is legally organized as a nonpartisan, charitable organization, the purpose of the solicitation is nonpartisan and charitable, and the solicitation has been approved in accordance with Board policy. (Education Code 51520)~~

When vending machines are sponsored by the district or a student or adult organization, the Superintendent or designee shall determine how and where vending machines may be placed at school sites, district offices, or other school facilities.

Legal Reference:

EDUCATION CODE

~~38085 Sale of specified food items~~

35182.5 Contracts, non-nutritious beverages

48931 Authorization and sale of food

49430-49436 Pupil Nutrition, Health, and Achievement Act of 2001

51520 School premises; prohibited solicitations

CODE OF REGULATIONS, TITLE 5

15500 Food sales in elementary schools

15501 Sales in high schools and junior high schools

15575-15578 Requirements for foods and beverages outside the federal meals program

HEALTH AND SAFETY CODE

~~113700-114455 37 California Uniform Retail Food Code Facilities Law, including:~~

~~114200-114245 Vending machines~~

UNITED STATES CODE, TITLE 42

## OTHER FOOD SALES

BP 3554 (b)

1751-1769j National School Lunch Act, including:

1751-8b ~~Note~~ Local wellness policy

1771-1791 Child nutrition, **School Breakfast Program**

CODE OF FEDERAL REGULATIONS, TITLE 7

210.1-210.31 National School Lunch Program

220.1-220.21 National School Breakfast Program

Management Resources:

~~CSBA POLICY BRIEFS~~

CSBA PUBLICATIONS

~~The New Nutrition Standards~~ **for Schools**: Implications for Student Wellness, **Policy Brief**  
~~Polieies, rev. October 2007 November 2005~~

**Monitoring for Success: Student Wellness Policy Implementation Monitoring Report and Guide, 2007**

Student Wellness: A Healthy Food and Physical Activity Policy Resource Guide, rev. **April 2006 2005**

**CALIFORNIA DEPARTMENT OF EDUCATION MANAGEMENT BULLETINS**

**06-110 Restrictions on Food and Beverage Sales Outside of the School Meal Program, August 2006**

~~CENTERS FOR DISEASE CONTROL PUBLICATIONS~~

~~School Health Index for Physical Activity and Healthy Eating: A Self-Assessment and Planning Guide for Elementary and Middle/High Schools, 2000~~

FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM PUBLICATIONS

Associated Student Body Accounting Manual and Desk Reference, 2002

NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION PUBLICATIONS

Fit, Healthy and Ready to Learn, 2000

~~U.S. DEPARTMENT OF AGRICULTURE PUBLICATIONS~~

~~Team Nutrition, Food and Nutrition Services, Changing the Scene, Improving the School Nutrition Environment: A Guide to Local Action, 2000~~

WEB SITES

CSBA: <http://www.csba.org>

California Association of School Business Officials: <http://www.casbo.org>

California Department of Education, Nutrition Services Division: <http://www.cde.ca.gov/ls/nu>

California Healthy Kids Resource Center: <http://www.californiahealthykids.org>

California Project LEAN (Leaders Encouraging Activity and Nutrition):

<http://www.californiaprojectlean.org>

~~Dairy Council of California: <http://www.dairycouncilofca.org>~~

Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>

National Association of State Boards of Education (NASBE): <http://www.nasbe.org>

~~National School Boards Association: <http://www.nsba.org>~~

U.S. Dept. of Agriculture, Food and Nutrition Information Center (FNIC):

<http://www.nal.usda.gov/fnic>

Policy Adopted: ~~2/15/07~~ **4/8/20**

ORCUTT UNION SCHOOL DISTRICT  
Orcutt, California



Where a Dedicated Staff Means  
**KIDS COME FIRST**

**BOARD OF TRUSTEES**

SHAUN HENDERSON  
LISA MORININI  
LIZ PHILLIPS  
MARK STELLER  
MELANIE WAFFLE

DEBORAH BLOW, Ed.D.  
*District Superintendent*  
HOLLY EDDS, Ed.D.  
*Assistant Superintendent*  
SUSAN SALUCCI  
*Assistant Superintendent*  
WILLIAM YOUNG  
*Assistant Superintendent*  
KIRBY FELL  
*Chief Technology Officer*

TO: Board of Trustees

FROM: Deborah Blow, Ed.D.

BOARD MEETING DATE: April 8, 2020

BOARD AGENDA ITEM: Strategic Plan 2020-2025

BACKGROUND: A large group of community stakeholders, including teachers, classified staff, administrators, parents, and other community representatives met on January 23, 2020 to provide input for the development of a Strategic Plan for our district that will take us into the year 2025. A smaller committee, derived from participants of this original group, met on February 24, and March 10, 2020, to develop the final plan. This included writing the Mission, Vision, Core Values and Goals, which are presented to the Board tonight for approval.

RECOMMENDATION: Staff recommends the Board of Trustees approve the 2020-2025 Strategic Plan.

FUNDING: N/A



# Orcutt Union School District Strategic Plan

## **Mission**

Students at Orcutt Union School District come first. Our mission is to safely nurture, educate, inspire, and empower our students to successfully navigate and thrive in an ever changing world.

## **Vision**

As the heart of the communities we serve, the Orcutt Union School District will foster high levels of student success through multiple pathways of learning. Our highly trained, dedicated staff will offer all students a world-class education, that leads the way in innovation and creativity, and will be known for its caring, collaborative, and inclusive culture.

## **Core Values**

### ***We Believe***

- Students come first
- Student safety is paramount
- All students can learn at high levels
- In meeting the needs of the whole child
- Results matter

### ***Our success is assured through***

- Fostering a community of learners
- Providing equitable support for all students
- Quality instruction with rigor and relevance
- Effective leadership
- Mutual respect
- Cultural and social understanding
- Clear and open communication
- Parent/community engagement
- Continuous improvement and accountability for all



## **GOALS**

### **High Quality Instruction**

We will provide and support engaging, high quality instruction, which promotes active learning and maximizes student achievement while creating a positive culture.

- Implementation of rigorous curriculum
- Multi-Tiered Systems of Support (MTSS)
- Assessment & Accountability
- Physical Education
- Visual and Performing Arts

### **Future Ready**

We will provide an innovative curriculum, utilizing flexible learning environments that will prepare students to be future-ready, and thrive in a global society.

- The 4 Cs
  - Critical Thinking
  - Collaboration
  - Creativity and Innovation
  - Communication
- Character and Citizenship Development
- CTE and Career Pathways
- Cultural Understanding
- Adaptive Learning Spaces

### **Professional Development & Wellness**

We will provide our staff inspiring, relevant, and meaningful, learning and wellness opportunities in a safe supportive environment, to prepare for the ever-changing needs of our district.

- Professional Learning Communities
- Effective Professional Development
  - Cutting-Edge presenters
  - Flexible times
  - Coaching
  - Choice
- Staff Wellness

### **Whole Child Approach**

We will provide inspiring, creative, healthy and safe environments that nurture imagination and compassion; fostering engaged, supported and challenged students.

- Social Emotional Learning
- Positive Behavior Intervention and Supports (PBIS)
- Mindfulness
- School Safety

### **Resources**

We will be good stewards of our resources and pursue new avenues to support the goals of our district.

- Finances
- Infrastructure
- Human Resources
- Community
- Facilities and Grounds



Where a Dedicated Staff Means  
**KIDS COME FIRST**

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*Assistant Superintendent*  
WILLIAM YOUNG  
*Assistant Superintendent*  
KIRBY FELL  
*Chief Technology Officer*

TO: Board of Trustees

FROM: Deborah Blow, Ed.D.  
Superintendent

BOARD MEETING DATE: April 8, 2020

BOARD AGENDA ITEM: Ratify Resolution No. 19 Delegating Authority to the Superintendent to Act in Place of the Board of Trustees During an Emergency Closure

BACKGROUND: Under Resolution No. 19, the superintendent would be allowed to take actions such as alternative educational program options. This resolution is designed to have the district prepared for when and if we need to make significant changes in how we deliver education to our students in relation to the Corona Virus, and possibly school closure for the remaining of the school year.

RECOMMENDATION: It is recommended that the Board of Trustees ratify Resolution No. 19, Delegating Authority to the Superintendent to Act in Place of the Board of Trustees during an Emergency Closure.

FUNDING: N/A

**ORCUTT UNION SCHOOL DISTRICT**

**Resolution No. 19**

**IN THE MATTER OF:** RESOLUTION DELEGATING AUTHORITY TO TAKE NECESSARY ACTION TO PROTECT STUDENTS AND STAFF FROM THE SPREAD OF CORONAVIRUS (COVID-19).

The following RESOLUTION was duly passed by the Board of Trustees, at a meeting held on \_\_\_\_\_, 2020, by the following roll call vote:

Shaun Henderson	_____
Lisa Morinini	_____
Liz Phillips	_____
Mark Steller	_____
Melanie Waffle	_____

Signed and approved by me after its passage:

\_\_\_\_\_  
Liz Phillips, President

Attest:

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
**WHEREAS,** on March 4, 2020, Governor Gavin Newsom declared a statewide emergency arising from the coronavirus (COVID-19).

**WHEREAS,** on March 13, 2020, the President of the United States declared a State of Emergency due to the outbreak and spread of a coronavirus (COVID-19).

**WHEREAS,** Article I, Section 28, of the California Constitution declares that “[a]ll students and staff of public, primary, elementary, junior high, and senior high school . . . have the inalienable right to attend campuses which are safe, secure and peaceful.”

**WHEREAS,** Section 1102 of the Public Contract Code defines “emergency” to mean a “sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services,” and section 21060.3 of the Public Resources Code and California Environmental Quality Act Guidelines 14 CCR section 15269(c) defines “emergency” to mean “a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to life, health, property, or essential public services.

**WHEREAS,** under California Public Contract Code Section 20113, in an emergency when any repairs, alterations, work, or improvement is necessary to any facility of public schools to permit the continuance of existing school classes, or to avoid danger to life or property, the board may, by unanimous vote, with the approval of the county superintendent of schools,

do the following: make a contract in writing or otherwise on behalf of the district for the performance of labor and furnishing of materials or supplies for the purpose without advertising for or inviting bid; and, notwithstanding section 20114.

**WHEREAS**, Education Code section 35161 permits the Board to delegate to an officer or employee of the District any of the Board's powers and duties, and the Board desires to delegate to the District Superintendent certain powers and duties to address the Coronavirus (COVID-19) pandemic.

**WHEREAS**, Education Code section 17604 authorizes the Board, by a majority vote, to delegate to the District's Superintendent, or to such persons as the Superintendent may designate, the authority to enter into contracts subject to the provision that "no contract made pursuant to the delegation and authorization shall be valid or constitute an enforceable obligation against the district unless and until the same shall have been approved or ratified by the governing board, the approval or ratification to be evidenced by a motion of the board duly passed and adopted."

**NOW THEREFORE, BE IT RESOLVED AND ORDERED** that the Board hereby declares the existence of an ongoing public health emergency within the District arising from the coronavirus (COVID-19) pandemic ("Emergency Conditions").

**BE IT FURTHER RESOLVED AND ORDERED** that to the extent that District schools were closed prior to the passage of this Resolution that the Board ratifies the decision by the Superintendent to close District schools as of March 16, 2020 and that the decision was necessary and prudent because of the COVID-19 pandemic emergency to protect the health, safety, and welfare of the entire Orcutt Schools community including students, employees, and other community members.

**BE IT FURTHER RESOLVED AND ORDERED** the Superintendent is delegated authority to take all appropriate action to respond to the coronavirus (COVID-19) pandemic, including, but not limited to, any action:

- A. To ensure and protect the welfare, safety and educational wellbeing of all students including the temporary closure of all District schools from Monday March 16, 2020, until the Superintendent makes a determination in consultation with the Board President;
- B. To ensure and protect the welfare and safety of persons working for the District which shall include its agents, employees, representatives and all others acting for or on behalf of the District;
- C. To explore and when possible provide necessary staffing and instruction, including but not limited to the relocation of students and staff, continued daily student transportation, continued food service programs, provision of alternative educational program options, including distance learning;
- D. To modify school and work schedules, including granting leaves of absence with pay to employees due to quarantine or recently returning from level 3 countries or sick from COVID-19 or illnesses with similar symptoms (cough, fever, shortness of breath) or co-habitants of any individuals without any impact to their benefit time pursuant to Education Code sections 44964 and 45199;

E. To declare an emergency pursuant to Government Code § 3100 et seq., and to assign District employees (in their capacity as disaster service workers) to perform such disaster service activities as may be assigned to them;

F. To cancel or modify any activities, programs, or courses, up to and including the closure of the District;

G. To protect District property;

H. To make further declarations of emergency and to take emergency action as permitted by law;

I. To address the Emergency Conditions described within this Resolution by:

a. Executing non-public works contracts of any amount without bidding related, but not limited, to technology as may be necessary to address Emergency Conditions, subject to Board review and ratification within sixty (60) days of entering into the contract. No contract made pursuant to this delegation and authorization shall be valid or constitute an enforceable obligation against the District unless and until the contract is approved or ratified by the Board, evidenced by a motion of the Board duly passed and adopted.

b. Executing public works contracts of any amount without bidding related, but not limited, to technology as may be necessary to address the Emergency Conditions subject to Board review and ratification within sixty (60) days of entering into the contract. No contract made pursuant to this delegation and authorization shall be valid or constitute an enforceable obligation against the District unless and until the contract is approved or ratified by the Board, evidenced by a motion of the Board duly passed and adopted.

J. The Superintendent or her designee are further authorized pursuant to this Resolution to take any action and execute any documents that are necessary to carry out, give effect to, and comply with the terms and intent of this Resolution.

**BE IT FURTHER RESOLVED AND ORDERED** that should any portion of this Resolution be held invalid, the invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provisions or application, and to this end the provisions of this Resolution are declared to be severable.

**BE IT FURTHER RESOLVED AND ORDERED** that this Resolution is an emergency measure within the mandate and jurisdiction of the Board and is necessary for the immediate welfare of the District and its schools and the employees and pupils thereof. Therefore, this Resolution shall become effective immediately upon its adoption and shall remain in effect until repealed by formal Board action.



## BUSINESS SERVICES MEMORANDUM

**TO:** Board of Trustees  
Deborah Blow, Ed.D.

**FROM:** Bill Young  
Assistant Superintendent, Business Services

**BOARD MEETING DATE:** April 8, 2020

**BOARD AGENDA ITEM:** AB1200 Public Disclosure of proposed Collective Bargaining Agreement – California School Employees Association and Classified/Confidential Management.

**BACKGROUND:** Before entering into a written agreement with a collective bargaining unit, all school districts must disclose at a public meeting, the costs that would be incurred in the current and subsequent two years as a result of the agreement. The Superintendent and Chief Business Official of the district must certify in writing that these costs can be met by the district during the term of the agreement.

Reference: AB 1200 (Chapter 1213/1991), GC 3540.2(a), GC 3547.5 and CCR, Title V and Section 15449.

**RECOMMENDATION:** Staff recommends that the Board of Trustees approve the attached AB 1200 Disclosure as submitted.

**FUNDING:** As presented in the attached AB 1200 Disclosure.

**PUBLIC DISCLOSURE OF PROPOSED COLLECTIVE BARGAINING AGREEMENT**  
in accordance with AB 1200 (Chapter 1213/Statutes 1992), AB 2756 (Chapter 52/Statutes 2004), GC 3547.5

Name of School District: **Orcutt Union School District**  
Name of Bargaining Unit: **CSEA**  
Certificated, Classified, Other: **Classified and Classified Management**

The proposed agreement covers the period beginning: **July 1, 2019** and ending: **June 30, 2020**  
(date) (date)

The Governing Board will act upon this agreement on: **April 8, 2020**  
(date)

**Note: This form, along with a copy of the proposed agreement, must be submitted to the County Office at least ten (10) working days prior to the date the Governing Board will take action.**

**A. Proposed Change in Compensation**

Bargaining Unit Compensation  All Funds - Combined		Fiscal Impact of Proposed Agreement (Complete Years 2 and 3 for multiyear and overlapping agreements only)			
		Annual Cost Prior to Proposed Settlement	Year 1 Increase/(Decrease)	Year 2 Increase/(Decrease)	Year 3 Increase/(Decrease)
			2019-20	2020-21	2021-22
1. <b>Salary Schedule</b> Including Step and Column	\$ 7,198,419	\$ 183,560			
			2.55%	0.00%	0.00%
2. <b>Other Compensation</b> Stipends, Bonuses, Longevity, Overtime, Differential, Callback or Standby Pay, etc.		\$ 16,406			
<b>Description of Other Compensation</b>					
3. <b>Statutory Benefits - STRS, PERS, FICA, WC, UI, Medicare, etc.</b>	\$ 2,002,551	\$ 56,663			
			2.83%	0.00%	0.00%
4. <b>Health/Welfare Plans</b>	\$ 1,498,752				
			0.00%	0.00%	0.00%
5. <b>Total Bargaining Unit Compensation</b> Add Items 1 through 4 to equal 5	\$ 10,699,722	\$ 256,629	\$ -	\$ -	
			2.40%	0.00%	0.00%
6. <b>Total Number of Bargaining Unit Employees</b> (Use FTEs if appropriate)	184.41				
7. <b>Total Compensation <u>Average</u> Cost per Bargaining Unit Employee</b>	\$ 58,021	\$ 1,392	\$ -	\$ -	
			2.40%	0.00%	0.00%



Orcutt Union School District  
CSEA

8. What was the negotiated percentage change? For example, if the change in "Year 1" was for less than a full year, what is the annualized percentage of that change for "Year 1"?

2.55% on schedule, retroactive to July 1, 2019.

9. Were any additional steps, columns, or ranges added to the salary schedules? (If yes, please explain.)

No

10. Please include comments and explanations as necessary. (If more room is necessary, please attach an additional sheet.)

Retirement incentive for classified employees who have been with the District for a minimum of 20 years. 20-24 years = \$2500, 25-29 years = \$3500, 30-39 years = \$4500, 40+ years = \$5500. This is pro-rated based on FTE. There must be a minimum of 7 people who take the offer and employees must be at least 57 years old.

11. Does this bargaining unit have a negotiated cap for Health and Welfare benefits?

Yes ☒ No ☐

If yes, please describe the cap amount.

Single = \$8,922, 2 party = \$13,596, Family = \$18,675. No change in Health & Welfare benefits due to the settlement.

- B. Proposed negotiated changes in noncompensation items** (i.e., class size adjustments, staff development days, teacher prep time, classified staffing ratios, etc.)

N/A

- C. What are the specific impacts (positive or negative) on instructional and support programs to accommodate the settlement?** Include the impact of changes such as staff reductions or increases, program reductions or increases, elimination or expansion of other services or programs (i.e., counselors, librarians, custodial staff, etc.)

N/A



**D. What contingency language is included in the proposed agreement (e.g., reopeners, etc.)?**

None

**E. Identify other major provisions that do not directly affect the district's costs, such as binding arbitrations, grievance procedures, etc.**

None

**F. Source of Funding for Proposed Agreement:**

**1. Current Year**

Budget reduction in the current fiscal year, specifically in the areas of utilities, legal fees and substitute and overtime costs

**2. If this is a single year agreement, how will the ongoing cost of the proposed agreement be funded in subsequent years?**

Savings in our MYP due to settlement on class size. Our MYP submitted at Second Interim assumed we would be hiring 7.0 FTE in 2020-21 due to the expiration of a class size MOU. We were able to negotiate to maintain status quo on class size, which allows us to eliminate that expenditure in the out years.

**3. If this is a multiyear agreement, what is the source of funding, including assumptions used, to fund these obligations in subsequent years? (Remember to include compounding effects in meeting obligations.)**

N/A

## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET****Unrestricted General Fund**

Bargaining Unit:

CSEA

Object Code		Column 1 Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Column 2 Adjustments as a Result of Settlement (compensation)	Column 3 Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Column 4 Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>					
LCFF Revenue	8010-8099	\$ 37,931,436		\$ -	\$ 37,931,436
Federal Revenue	8100-8299			\$ -	\$ -
Other State Revenue	8300-8599	\$ 1,210,649		\$ -	\$ 1,210,649
Other Local Revenue	8600-8799	\$ 1,961,163		\$ -	\$ 1,961,163
<b>TOTAL REVENUES</b>		\$ 41,103,248		\$ -	\$ 41,103,248
<b>EXPENDITURES</b>					
Certificated Salaries	1000-1999	\$ 16,252,535		\$ 392,657	\$ 16,645,192
Classified Salaries	2000-2999	\$ 5,023,144	\$ 122,384	\$ 30,241	\$ 5,175,769
Employee Benefits	3000-3999	\$ 8,033,745	\$ 34,679	\$ 79,244	\$ 8,147,668
Books and Supplies	4000-4999	\$ 2,900,774			\$ 2,900,774
Services, Other Operating Expenses	5000-5999	\$ 2,248,542		\$ (184,718)	\$ 2,063,824
Capital Outlay	6000-6999	\$ 426,900		\$ -	\$ 426,900
Other Outgo	7100-7299 7400-7499			\$ -	\$ -
Indirect/Direct Support Costs	7300-7399	\$ (140,600)		\$ -	\$ (140,600)
<b>TOTAL EXPENDITURES</b>		\$ 34,745,040	\$ 157,063	\$ 317,424	\$ 35,219,527
<b>OTHER FINANCING SOURCES/USES</b>					
Transfers In and Other Sources	8900-8979		\$ -	\$ -	\$ -
Transfers Out and Other Uses	7600-7699	\$ 625,000	\$ -	\$ -	\$ 625,000
Contributions	8980-8999	\$ (6,088,329)	\$ -	\$ -	\$ (6,088,329)
<b>OPERATING SURPLUS (DEFICIT)*</b>		\$ (355,121)	\$ (157,063)	\$ (317,424)	\$ (829,608)
<b>BEGINNING FUND BALANCE</b>					
	9791	\$ 10,755,236			\$ 10,755,236
Prior-Year Adjustments/Restatements	9793/9795				\$ -
<b>ENDING FUND BALANCE</b>		\$ 10,400,114	\$ (157,063)	\$ (317,424)	\$ 9,925,627
<b>COMPONENTS OF ENDING BALANCE:</b>					
Nonspendable Amounts	9711-9719	\$ 28,951	\$ -	\$ -	\$ 28,951
Restricted Amounts	9740				
Committed Amounts	9750-9760	\$ 8,288,024	\$ -	\$ -	\$ 8,288,024
Assigned Amounts	9780	\$ 322,636		\$ (222,289)	\$ 100,347
Reserve for Economic Uncertainties	9789	\$ 1,488,504	\$ -	\$ 19,802	\$ 1,508,306
Unassigned/Unappropriated Amount	9790	\$ 272,000	\$ (157,063)	\$ (114,937)	\$ -

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**



## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET****Restricted General Fund**

Bargaining Unit:

CSEA

Object Code	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Adjustments as a Result of Settlement (compensation)	Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>				
LCFF Revenue 8010-8099	\$ 1,202,317		\$ -	\$ 1,202,317
Federal Revenue 8100-8299	\$ 1,850,116		\$ -	\$ 1,850,116
Other State Revenue 8300-8599	\$ 2,397,891		\$ -	\$ 2,397,891
Other Local Revenue 8600-8799	\$ 1,979,183		\$ -	\$ 1,979,183
<b>TOTAL REVENUES</b>	\$ 7,429,507		\$ -	\$ 7,429,507
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ 3,241,699	\$ -	\$ 109,576	\$ 3,351,275
Classified Salaries 2000-2999	\$ 2,090,195	\$ 46,999	\$ -	\$ 2,137,194
Employee Benefits 3000-3999	\$ 3,569,335	\$ 13,318	\$ 21,407	\$ 3,604,060
Books and Supplies 4000-4999	\$ 788,054		\$ -	\$ 788,054
Services, Other Operating Expenses 5000-5999	\$ 2,228,516		\$ -	\$ 2,228,516
Capital Outlay 6000-6999	\$ 42,510		\$ -	\$ 42,510
Other Outgo 7100-7299	\$ 1,843,036		\$ -	\$ 1,843,036
7400-7499				
Indirect/Direct Support Costs 7300-7399	\$ 43,400		\$ -	\$ 43,400
<b>TOTAL EXPENDITURES</b>	\$ 13,846,745	\$ 60,317	\$ 130,983	\$ 14,038,045
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers In and Other Sources 8900-8979	\$ -	\$ -	\$ -	\$ -
Transfers Out and Other Uses 7600-7699	\$ 400,000	\$ -	\$ -	\$ 400,000
Contributions 8980-8999	\$ 6,088,329	\$ -	\$ -	\$ 6,088,329
<b>OPERATING SURPLUS (DEFICIT)*</b>	\$ (728,909)	\$ (60,317)	\$ (130,983)	\$ (920,209)
<b>BEGINNING FUND BALANCE</b>				
9791	\$ 1,256,427			\$ 1,256,427
Prior-Year Adjustments/Restatements 9793/9795	\$ -			\$ -
<b>ENDING FUND BALANCE</b>	\$ 527,517	\$ (60,317)	\$ (130,983)	\$ 336,217
<b>COMPONENTS OF ENDING BALANCE:</b>				
Nonspendable Amounts 9711-9719	\$ -	\$ -	\$ -	\$ -
Restricted Amounts 9740	\$ 527,517	\$ (60,317)	\$ (130,983)	\$ 336,217
Committed Amounts 9750-9760				
Assigned Amounts 9780				
Reserve for Economic Uncertainties 9789		\$ -	\$ -	\$ -
Unassigned/Unappropriated Amount 9790	\$ -	\$ -	\$ -	\$ (0)

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**



## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET****Combined General Fund**

Bargaining Unit:

CSEA

Object Code	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Adjustments as a Result of Settlement (compensation)	Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>				
LCFF Revenue 8010-8099	\$ 39,133,753		\$ -	\$ 39,133,753
Federal Revenue 8100-8299	\$ 1,850,116		\$ -	\$ 1,850,116
Other State Revenue 8300-8599	\$ 3,608,540		\$ -	\$ 3,608,540
Other Local Revenue 8600-8799	\$ 3,940,346		\$ -	\$ 3,940,346
<b>TOTAL REVENUES</b>	\$ 48,532,755		\$ -	\$ 48,532,755
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ 19,494,234	\$ -	\$ 502,233	\$ 19,996,467
Classified Salaries 2000-2999	\$ 7,113,339	\$ 169,383	\$ 30,241	\$ 7,312,963
Employee Benefits 3000-3999	\$ 11,603,080	\$ 47,997	\$ 100,651	\$ 11,751,728
Books and Supplies 4000-4999	\$ 3,688,828		\$ -	\$ 3,688,828
Services, Other Operating Expenses 5000-5999	\$ 4,477,058		\$ (184,718)	\$ 4,292,340
Capital Outlay 6000-6999	\$ 469,410		\$ -	\$ 469,410
Other Outgo 7100-7299 7400-7499	\$ 1,843,036		\$ -	\$ 1,843,036
Indirect/Direct Support Costs 7300-7399	\$ (97,200)		\$ -	\$ (97,200)
<b>TOTAL EXPENDITURES</b>	\$ 48,591,786	\$ 217,380	\$ 448,407	\$ 49,257,573
<b>OTHER FINANCING SOURCES/USES</b>				
Transfer In and Other Sources 8900-8979	\$ -	\$ -	\$ -	\$ -
Transfers Out and Other Uses 7600-7699	\$ 1,025,000	\$ -	\$ -	\$ 1,025,000
Contributions 8980-8999	\$ -	\$ -	\$ -	\$ -
<b>OPERATING SURPLUS (DEFICIT)*</b>	\$ (1,084,030)	\$ (217,380)	\$ (448,407)	\$ (1,749,817)
<b>BEGINNING FUND BALANCE</b>				
Prior-Year Adjustments/Restatements 9791	\$ 12,011,662			\$ 12,011,662
9793/9795	\$ -			\$ -
<b>ENDING FUND BALANCE</b>	\$ 10,927,632	\$ (217,380)	\$ (448,407)	\$ 10,261,845
<b>COMPONENTS OF ENDING BALANCE:</b>				
Nonspendable Amounts 9711-9719	\$ 28,951	\$ -	\$ -	\$ 28,951
Restricted Amounts 9740	\$ 527,517	\$ (60,317)	\$ (130,983)	\$ 336,217
Committed Amounts 9750-9760	\$ 8,288,024	\$ -	\$ -	\$ 8,288,024
Assigned Amounts 9780	\$ 322,636	\$ -	\$ (222,289)	\$ 100,347
Reserve for Economic Uncertainties 9789	\$ 1,488,504	\$ -	\$ 19,802	\$ 1,508,306
Unassigned/Unappropriated Amount 9790	\$ 272,000	\$ (157,063)	\$ (114,937)	\$ -

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**

## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET****Fund 12 - Child Development Fund**

Bargaining Unit:

CSEA

Object Code	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Adjustments as a Result of Settlement (compensation)	Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>				
Federal Revenue 8100-8299	\$ -		\$ -	\$ -
Other State Revenue 8300-8599	\$ 225,024		\$ -	\$ 225,024
Other Local Revenue 8600-8799	\$ 12,300		\$ -	\$ 12,300
<b>TOTAL REVENUES</b>	\$ 237,324		\$ -	\$ 237,324
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ 3,729	\$ -	\$ 95	\$ 3,824
Classified Salaries 2000-2999	\$ 139,519	\$ 3,110	\$ -	\$ 142,629
Employee Benefits 3000-3999	\$ 60,848	\$ 881	\$ 19	\$ 61,748
Books and Supplies 4000-4999	\$ 13,558		\$ (3,805)	\$ 9,753
Services, Other Operating Expenses 5000-5999	\$ 10,170		\$ -	\$ 10,170
Capital Outlay 6000-6999	\$ -		\$ -	\$ -
Other Outgo 7100-7299	\$ 9,200		\$ -	\$ 9,200
7400-7499				
Indirect/Direct Support Costs 7300-7399	\$ -		\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 237,024	\$ 3,991	\$ (3,691)	\$ 237,324
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers In and Other Sources 8900-8979	\$ -	\$ -	\$ -	\$ -
Transfers Out and Other Uses 7600-7699	\$ -	\$ -	\$ -	\$ -
<b>OPERATING SURPLUS (DEFICIT)*</b>	\$ 300	\$ (3,991)	\$ 3,691	\$ -
<b>BEGINNING FUND BALANCE</b> 9791	\$ -			\$ -
Prior-Year Adjustments/Restatements 9793/9795	\$ -			\$ -
<b>ENDING FUND BALANCE</b>	\$ 300	\$ (3,991)	\$ 3,691	\$ -
<b>COMPONENTS OF ENDING BALANCE:</b>				
Nonspendable Amounts 9711-9719	\$ -	\$ -	\$ -	\$ -
Restricted Amounts 9740	\$ -	\$ -	\$ -	\$ -
Committed Amounts 9750-9760	\$ -	\$ -	\$ -	\$ -
Assigned Amounts 9780	\$ -	\$ -	\$ -	\$ -
Reserve for Economic Uncertainties 9789	\$ -	\$ -	\$ -	\$ -
Unassigned/Unappropriated Amount 9790	\$ 300	\$ (3,991)	\$ 3,691	\$ -

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**



## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET****Fund 13/61 - Cafeteria Fund**

Bargaining Unit:

CSEA

Object Code	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Adjustments as a Result of Settlement (compensation)	Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>				
LCFF Revenue 8010-8099	\$ -		\$ -	\$ -
Federal Revenue 8100-8299	\$ 1,263,542		\$ -	\$ 1,263,542
Other State Revenue 8300-8599	\$ 86,000		\$ -	\$ 86,000
Other Local Revenue 8600-8799	\$ 716,400		\$ -	\$ 716,400
<b>TOTAL REVENUES</b>	\$ 2,065,942		\$ -	\$ 2,065,942
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ -	\$ -	\$ -	\$ -
Classified Salaries 2000-2999	\$ 753,138	\$ 17,063	\$ -	\$ 770,201
Employee Benefits 3000-3999	\$ 261,108	\$ 4,835	\$ -	\$ 265,943
Books and Supplies 4000-4999	\$ 995,101			\$ 995,101
Services, Other Operating Expenses 5000-5999	\$ 46,439		\$ -	\$ 46,439
Capital Outlay 6000-6999	\$ 20,000		\$ -	\$ 20,000
Other Outgo 7100-7299 7400-7499	\$ -		\$ -	\$ -
Indirect/Direct Support Costs 7300-7399	\$ 88,000		\$ -	\$ 88,000
<b>TOTAL EXPENDITURES</b>	\$ 2,163,786	\$ 21,898	\$ -	\$ 2,185,684
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers In and Other Sources 8900-8979	\$ 25,000	\$ -	\$ -	\$ 25,000
Transfers Out and Other Uses 7600-7699	\$ -	\$ -	\$ -	\$ -
<b>OPERATING SURPLUS (DEFICIT)*</b>	\$ (72,843)	\$ (21,898)	\$ -	\$ (94,741)
<b>BEGINNING FUND BALANCE</b>				
9791	\$ 1,598,879			\$ 1,598,879
Prior-Year Adjustments/Restatements 9793/9795	\$ -			\$ -
<b>ENDING FUND BALANCE</b>	\$ 1,526,035	\$ (21,898)	\$ -	\$ 1,504,137
<b>COMPONENTS OF ENDING BALANCE:</b>				
Nonspendable Amounts 9711-9719	\$ -	\$ -	\$ -	\$ -
Restricted Amounts 9740	\$ 1,526,035	\$ (21,898)	\$ -	\$ 1,504,137
Committed Amounts 9750-9760	\$ -	\$ -	\$ -	\$ -
Assigned Amounts 9780	\$ -	\$ -	\$ -	\$ -
Reserve for Economic Uncertainties 9789	\$ -	\$ -	\$ -	\$ -
Unassigned/Unappropriated Amount 9790	\$ 0	\$ -	\$ -	\$ 0

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**



## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

Enter Fund: **Fund 09**  
 Bargaining Unit: **CSEA**

Object Code	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Adjustments as a Result of Settlement (compensation)	Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>				
Federal Revenue 8100-8299	\$ -		\$ -	\$ -
Other State Revenue 8300-8599	\$ 7,842,149		\$ -	\$ 7,842,149
Other Local Revenues 8600-8799	\$ 206,085		\$ -	\$ 206,085
<b>TOTAL REVENUES</b>	\$ 8,048,234		\$ -	\$ 8,048,234
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ 3,170,869	\$ -	\$ 77,459	\$ 3,248,328
Classified Salaries 2000-2999	\$ 484,188	\$ 10,410	\$ -	\$ 494,598
Employee Benefits 3000-3999	\$ 1,659,327	\$ 2,950	\$ 15,132	\$ 1,677,409
Books and Supplies 4000-4999	\$ 510,213		\$ -	\$ 510,213
Services, Other Operating Expenses 5000-5999	\$ 2,419,133		\$ -	\$ 2,419,133
Capital Outlay 6000-6999	\$ -		\$ -	\$ -
Other Outgo 7100-7299	\$ -		\$ -	\$ -
7400-7499	\$ -		\$ -	\$ -
Indirect/Direct Support Costs 7300-7399	\$ -		\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 8,243,730	\$ 13,360	\$ 92,591	\$ 8,349,681
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers In and Other Sources 8900-8979	\$ -	\$ -	\$ -	\$ -
Transfers Out and Other Uses 7600-7699	\$ 85,000	\$ -	\$ -	\$ 85,000
<b>OPERATING SURPLUS (DEFICIT)*</b>	\$ (280,496)	\$ (13,360)	\$ (92,591)	\$ (386,447)
<b>BEGINNING FUND BALANCE</b>				
9791	\$ 1,632,778			\$ 1,632,778
Prior-Year Adjustments/Restatements 9793/9795	\$ -			\$ -
<b>ENDING FUND BALANCE</b>	\$ 1,352,282	\$ (13,360)	\$ (92,591)	\$ 1,246,331
<b>COMPONENTS OF ENDING BALANCE:</b>				
Nonspendable Amounts 9711-9719	\$ -	\$ -	\$ -	\$ -
Restricted Amounts 9740	\$ 23,839	\$ -	\$ -	\$ 23,839
Committed Amounts 9750-9760	\$ -	\$ -	\$ -	\$ -
Assigned Amounts 9780	\$ 1,328,443	\$ (13,360)	\$ (92,591)	\$ 1,222,492
Reserve for Economic Uncertainties 9789	\$ -	\$ -	\$ -	\$ -
Unassigned/Unappropriated Amount 9790	\$ (0)	\$ -	\$ -	\$ (0)

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**

Orcutt Union School District

CSEA

**Explanations for Column 3 "Other Revisions" entered on Pages 4a through 4h:**

Page 4a: Unrestricted General Fund	Amount	E
Revenues	\$ -	
Expenditures	\$ 317,424	Cost of certificated settlement, r
Other Financing Sources/Uses	\$ -	

Page 4b: Restricted General Fund	Amount	E
Revenues	\$ -	
Expenditures	\$ 130,983	cost of certificated settlement
Other Financing Sources/Uses	\$ -	

Page 4d: Fund 11 - Adult Education Fund	Amount	E
Revenues	\$ -	
Expenditures	\$ -	
Other Financing Sources/Uses	\$ -	

Page 4e: Fund 12 - Child Development Fund	Amount	E
Revenues	\$ -	
Expenditures	\$ (3,691)	Slight reduction in supplies budg
Other Financing Sources/Uses	\$ -	

Page 4f: Fund 13/61 - Cafeteria Fund	Amount	E
Revenues	\$ -	
Expenditures	\$ -	
Other Financing Sources/Uses	\$ -	

Page 4g: Other	Amount	E
Revenues	\$ -	
Expenditures	\$ 92,591	cost of certificated settlement
Other Financing Sources/Uses	\$ -	

Page 4h: Other	Amount	E
Revenues	\$ -	
Expenditures	\$ -	
Other Financing Sources/Uses	\$ -	

Additional Comments:



## Orcutt Union School District

**H. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS****Unrestricted General Fund MYP**

Bargaining Unit:

CSEA

		2019-20	2020-21	2021-22
		Total Revised Budget After Settlement	First Subsequent Year After Settlement	Second Subsequent Year After Settlement
Object Code				
REVENUES				
LCFF Revenue	8010-8099	\$ 37,931,436	\$ 38,125,390	\$ 38,253,540
Federal Revenue	8100-8299	\$ -	\$ -	\$ -
Other State Revenue	8300-8599	\$ 1,210,649	\$ 832,475	\$ 833,216
Other Local Revenue	8600-8799	\$ 1,961,163	\$ 1,965,438	\$ 1,970,314
TOTAL REVENUES		\$ 41,103,248	\$ 40,923,303	\$ 41,057,070
EXPENDITURES				
Certificated Salaries	1000-1999	\$ 16,645,192	\$ 16,704,823	\$ 16,804,616
Classified Salaries	2000-2999	\$ 5,175,769	\$ 5,401,332	\$ 5,451,896
Employee Benefits	3000-3999	\$ 8,147,668	\$ 8,590,464	\$ 8,740,874
Books and Supplies	4000-4999	\$ 2,900,774	\$ 1,575,929	\$ 1,621,473
Services, Other Operating Expenses	5000-5999	\$ 2,063,824	\$ 1,911,943	\$ 2,103,137
Capital Outlay	6000-6999	\$ 426,900	\$ 130,684	\$ 155,049
Other Outgo	7100-7299 7400-7499	\$ -	\$ -	\$ -
Indirect/Direct Support Costs	7300-7399	\$ (140,600)	\$ (133,202)	\$ (141,517)
Other Adjustments				\$ -
TOTAL EXPENDITURES		\$ 35,219,527	\$ 34,181,973	\$ 34,735,528
OTHER FINANCING SOURCES/USES				
Transfers In and Other Sources	8900-8979	\$ -	\$ -	\$ -
Transfers Out and Other Uses	7600-7699	\$ 625,000	\$ 650,000	\$ 675,000
Contributions	8980-8999	\$ (6,088,329)	\$ (6,609,576)	\$ (7,015,426)
OPERATING SURPLUS (DEFICIT)*		\$ (829,608)	\$ (518,246)	\$ (1,368,884)
BEGINNING FUND BALANCE	9791	\$ 10,755,236	\$ 9,925,627	\$ 9,407,381
Prior-Year Adjustments/Restatements	9793/9795	\$ -		
ENDING FUND BALANCE		\$ 9,925,627	\$ 9,407,381	\$ 8,038,497
COMPONENTS OF ENDING BALANCE:				
Nonspendable Amounts	9711-9719	\$ 28,951	\$ 28,951	\$ 28,951
Restricted Amounts	9740			
Committed Amounts	9750-9760	\$ 8,288,024	\$ 7,906,853	\$ 6,513,311
Assigned Amounts	9780	\$ 100,347	\$ -	\$ -
Reserve for Economic Uncertainties	9789	\$ 1,508,306	\$ 1,471,577	\$ 1,496,235
Unassigned/Unappropriated Amount	9790	\$ -	\$ 0	\$ 0

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts must be positive**



## Orcutt Union School District

**H. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS****Restricted General Fund MYP**

Bargaining Unit:

CSEA

Object Code	2019-20	2020-21	2021-22
	Total Revised Budget After Settlement	First Subsequent Year After Settlement	Second Subsequent Year After Settlement
<b>REVENUES</b>			
LCFF Revenue 8010-8099	\$ 1,202,317	\$ 1,229,850	\$ 1,263,179
Federal Revenue 8100-8299	\$ 1,850,116	\$ 1,655,152	\$ 1,655,152
Other State Revenue 8300-8599	\$ 2,397,891	\$ 2,405,273	\$ 2,505,060
Other Local Revenue 8600-8799	\$ 1,979,183	\$ 1,996,331	\$ 2,013,331
<b>TOTAL REVENUES</b>	\$ 7,429,507	\$ 7,286,606	\$ 7,436,722
<b>EXPENDITURES</b>			
Certificated Salaries 1000-1999	\$ 3,351,275	\$ 3,113,275	\$ 3,188,275
Classified Salaries 2000-2999	\$ 2,137,194	\$ 2,178,865	\$ 2,220,865
Employee Benefits 3000-3999	\$ 3,604,060	\$ 3,648,444	\$ 3,696,711
Books and Supplies 4000-4999	\$ 788,054	\$ 442,389	\$ 432,656
Services, Other Operating Expenses 5000-5999	\$ 2,228,516	\$ 2,318,474	\$ 2,215,062
Capital Outlay 6000-6999	\$ 42,510	\$ 98,240	\$ 128,069
Other Outgo 7100-7299 7400-7499	\$ 1,843,036	\$ 1,984,896	\$ 2,138,007
Indirect/Dirrect Support Costs 7300-7399	\$ 43,400	\$ 36,002	\$ 44,317
Other Adjustments		\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 14,038,045	\$ 13,820,585	\$ 14,063,962
<b>OTHER FINANCING SOURCES/USES</b>			
Transfers In and Other Sources 8900-8979	\$ -	\$ -	\$ -
Transfers Out and Other Uses 7600-7699	\$ 400,000	\$ 400,000	\$ 400,000
Contributions 8980-8999	\$ 6,088,329	\$ 6,609,576	\$ 7,015,426
<b>OPERATING SURPLUS (DEFICIT)*</b>	\$ (920,209)	\$ (324,403)	\$ (11,814)
<b>BEGINNING FUND BALANCE</b> 9791	\$ 1,256,427	\$ 336,217	\$ 11,814
Prior-Year Adjustments/Restatements 9793/9795	\$ -		
<b>ENDING FUND BALANCE</b>	\$ 336,217	\$ 11,814	\$ 0
<b>COMPONENTS OF ENDING BALANCE:</b>			
Nonspendable Amounts 9711-9719	\$ -	\$ -	\$ -
Restricted Amounts 9740	\$ 336,217		
Committed Amounts 9750-9760			
Assigned Amounts 9780			
Reserve for Economic Uncertainties 9789	\$ -	\$ -	
Unassigned/Unappropriated Amount 9790	\$ (0)	\$ 11,814	\$ 0

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts must be positive**

## Orcutt Union School District

**H. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS****Combined General Fund MYP**

Bargaining Unit:

CSEA

Object Code	2019-20	2020-21	2021-22
	Total Revised Budget After Settlement	First Subsequent Year After Settlement	Second Subsequent Year After Settlement
REVENUES			
LCFF Revenue 8010-8099	\$ 39,133,753	\$ 39,355,240	\$ 39,516,719
Federal Revenue 8100-8299	\$ 1,850,116	\$ 1,655,152	\$ 1,655,152
Other State Revenue 8300-8599	\$ 3,608,540	\$ 3,237,748	\$ 3,338,276
Other Local Revenue 8600-8799	\$ 3,940,346	\$ 3,961,769	\$ 3,983,645
TOTAL REVENUES	\$ 48,532,755	\$ 48,209,909	\$ 48,493,792
EXPENDITURES			
Certificated Salaries 1000-1999	\$ 19,996,467	\$ 19,818,098	\$ 19,992,891
Classified Salaries 2000-2999	\$ 7,312,963	\$ 7,580,197	\$ 7,672,761
Employee Benefits 3000-3999	\$ 11,751,728	\$ 12,238,908	\$ 12,437,585
Books and Supplies 4000-4999	\$ 3,688,828	\$ 2,018,318	\$ 2,054,129
Services, Other Operating Expenses 5000-5999	\$ 4,292,340	\$ 4,230,417	\$ 4,318,199
Capital Outlay 6000-6999	\$ 469,410	\$ 228,924	\$ 283,118
Other Outgo 7100-7299 7400-7499	\$ 1,843,036	\$ 1,984,896	\$ 2,138,007
Indirect/Direct Support Costs 7300-7399	\$ (97,200)	\$ (97,200)	\$ (97,200)
Other Adjustments		\$ -	\$ -
TOTAL EXPENDITURES	\$ 49,257,573	\$ 48,002,558	\$ 48,799,490
OTHER FINANCING SOURCES/USES			
Transfers In and Other Sources 8900-8979	\$ -	\$ -	\$ -
Transfers Out and Other Uses 7600-7699	\$ 1,025,000	\$ 1,050,000	\$ 1,075,000
Contributions 8980-8999	\$ -	\$ -	\$ -
OPERATING SURPLUS (DEFICIT)*	\$ (1,749,817)	\$ (842,649)	\$ (1,380,698)
BEGINNING FUND BALANCE 9791	\$ 12,011,662	\$ 10,261,845	\$ 9,419,196
Prior-Year Adjustments/Restatements 9793/9795	\$ -		
ENDING FUND BALANCE	\$ 10,261,845	\$ 9,419,196	\$ 8,038,498
COMPONENTS OF ENDING BALANCE:			
Nonspendable Amounts 9711-9719	\$ 28,951	\$ 28,951	\$ 28,951
Restricted Amounts 9740	\$ 336,217	\$ -	\$ -
Committed Amounts 9750-9760	\$ 8,288,024	\$ 7,906,853	\$ 6,513,311
Assigned Amounts 9780	\$ 100,347	\$ -	\$ -
Reserve for Economic Uncertainties 9789	\$ 1,508,306	\$ 1,471,577	\$ 1,496,235
Unassigned/Unappropriated Amount 9790	\$ -	\$ 11,815	\$ 1

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts must be positive**



Orcutt Union School District  
CSEA**I. IMPACT OF PROPOSED AGREEMENT ON UNRESTRICTED RESERVES**

## 1. State Reserve Standard

		2019-20	2020-21	2021-22
a.	Total Expenditures, Transfers Out, and Uses (Including Cost of Proposed Agreement)	\$ 50,282,573	\$ 49,052,558	\$ 49,874,490
b.	Less: Special Education Pass-Through Funds	\$ -	\$ -	\$ -
c.	Net Expenditures, Transfers Out, and Uses	\$ 50,282,573	\$ 49,052,558	\$ 49,874,490
d.	State Standard Minimum Reserve Percentage for this District <b>Enter percentage</b> →	3.00%	3.00%	3.00%
e.	State Standard Minimum Reserve Amount for this District (For districts with less than 1,001 ADA, this is the greater of Line a, times Line b, or \$50,000)	\$ 1,508,477	\$ 1,471,577	\$ 1,496,235

## 2. Budgeted Unrestricted Reserve (After Impact of Proposed Agreement)

a.	General Fund Budgeted Unrestricted Designated for Economic Uncertainties (9789)	\$ 1,508,306	\$ 1,471,577	\$ 1,496,235
b.	General Fund Budgeted Unrestricted Unassigned/Unappropriated Amount (9790)	\$ -	\$ 0	\$ 0
c.	Special Reserve Fund (Fund 17) Budgeted Designated for Economic Uncertainties (9789)	\$ -	\$ -	\$ -
d.	Special Reserve Fund (Fund 17) Budgeted Unassigned/Unappropriated Amount (9790)	\$ -	\$ -	\$ -
e.	Total Available Reserves	\$ 1,508,306	\$ 1,471,577	\$ 1,496,235
f.	Reserve for Economic Uncertainties Percentage	3.00%	3.00%	3.00%

## 3. Do unrestricted reserves meet the state minimum reserve amount?

2019-20

Yes

☒

No

☐

2020-21

Yes

☒

No

☐

2021-22

Yes

☒

No

☐

## 4. If no, how do you plan to restore your reserves?

We will make budget reductions in the current year and slight budget reductions in 2020-21. For 2021-22 we will make more significant budget reductions so we are not deficit spending and have sufficient reserves.

**Public Disclosure of Proposed Collective Bargaining Agreement**  
Orcutt Union School District  
CSEA

Page 7

**5. Does the Total Compensation Increase/(Decrease) on Page 1, Section A, #5 agree with the Total Increase/(Decrease) for all funds as a result of the settlement(s)? Please explain any variance.**

Total Compensation Increase/(Decrease) on Page 1, Section A, #5	\$	256,629
General Fund balance Increase/(Decrease), Page 4c, Column 2	\$	(217,380)
Adult Education Fund balance Increase/(Decrease), Page 4d, Column 2	\$	-
Child Development Fund balance Increase/(Decrease), Page 4e, Column 2	\$	(3,991)
Cafeteria Fund balance Increase/(Decrease), Page 4f, Column 2	\$	(21,898)
Other Fund balance Increase/(Decrease), Page 4g, Column 2	\$	(13,360)
Other Fund balance Increase/(Decrease), Page 4h, Column 2	\$	-
Total all fund balances Increase/(Decrease) as a result of the settlement(s)	\$	(256,629)

Variance \$ -

**Variance Explanation:**

**6. Will this agreement create or increase deficit financing in the current or subsequent years?**

"Deficit Financing" is defined to exist when a fund's expenditures and other financing uses exceed its revenues and other financing sources in a given year. If a deficit is shown below, provide an explanation and any deficit reduction plan, as necessary.

General Fund Combined	Surplus/ (Deficit)	(Deficit) %	Deficit primarily due to:
Current FY Surplus/(Deficit) before settlement(s)?	\$ (1,084,030)	(2.2%)	declining enrollment
Current FY Surplus/(Deficit) after settlement(s)?	\$ (1,749,817)	(3.5%)	declining enrollment
1st Subsequent FY Surplus/(Deficit) after settlement(s)?	\$ (842,649)	(1.7%)	declining enrollment
2nd Subsequent FY Surplus/(Deficit) after settlement(s)?	\$ (1,380,698)	(2.8%)	declining enrollment

**Deficit Reduction Plan (as necessary):**

The District will be exploring various budget reduction options during 20-21, with implementation in 21-22.

**7. Subsequent FY?**

Were "Other Adjustments" amount(s) entered in the multiyear projections (pages 5a and 5b) for 1st and 2nd

"Other Adjustments" could indicate that a budget reduction plan was/is being developed to address deficit spending, and to rebuild reserves. Any amount shown below must have an explanation. If additional space is needed, attach a separate sheet, or use page 9a.

MYP	Amount	"Other Adjustments" Explanation
1st Subsequent FY Unrestricted, Page 5a	\$ -	
1st Subsequent FY Restricted, Page 5b	\$ -	
2nd Subsequent FY Unrestricted, Page 5a	\$ -	



CSEA

**J. COMPARISON OF PROPOSED CHANGE IN TOTAL COMPENSATION TO CHANGE IN LCFF FUNDING FOR THE NEGOTIATED PERIOD**

The purpose of this form is to determine if the district has entered into bargaining agreements that would result in salary increases that are expected to exceed the projected increase in LCFF funding.

	Prior Year	2019-20	2020-21	2021-22
(fill out columns for which there is an agreement)				
a. LCFF Funding per ADA	8,992.00	9,291.00	9,489.00	9,719.00
b. Amount Change from Prior Year Funding per ADA		299.00	198.00	230.00
c. Percentage Change from Prior Year Funding per ADA		3.33%	2.13%	2.42%
d. Total Compensation Amount Change (from Page 1, Section A, Line 5)		256,629.00	-	-
e. Total Compensation Percentage Change (from Page 1, Section A, Line 5)		2.40%	0.00%	0.00%
f. Proposed agreement is within/exceeds change in LCFF Funding (f vs. e)		Within	-	-

# **K. CERTIFICATION NO. 1: CERTIFICATION OF THE DISTRICT'S ABILITY TO MEET THE COSTS OF THE COLLECTIVE BARGAINING AGREEMENT**

This certification page must be signed by the district's Superintendent and Chief Business Official at the time of public disclosure and is intended to assist the district's Governing Board in determining whether the district can meet the costs incurred under the tentative Collective Bargaining Agreement in the current and subsequent years. The absence of a certification signature or if "I am unable to certify" is checked should serve as a "red flag" to the district's Governing Board.

In accordance with the requirements of Government Code Sections 3540.2 and 3547.5, the Superintendent and Chief Business Official of the Orcutt Union School District, hereby certify that the District can meet the costs incurred under this Collective Bargaining Agreement during the term of the agreement from July 1, 2019 to June 30, 2020.

## **Board Actions**

The board actions necessary to meet the cost of the agreement in each year of its term are as follows:

### Current Year

#### **Budget Adjustment Categories:**

Revenues/Other Financing Sources  
Expenditures/Other Financing Uses  
Ending Balance(s) Increase/(Decrease)

<b>Budget Adjustment Increase/(Decrease)</b>	
\$	-
\$	793,936
\$	(793,936)

### Subsequent Years

#### **Budget Adjustment Categories:**

Revenues/Other Financing Sources  
Expenditures/Other Financing Uses  
Ending Balance(s) Increase/(Decrease)

<b>Budget Adjustment Increase/(Decrease)</b>	
\$	-
\$	-
\$	-

## **Budget Revisions**

If the district does not adopt and submit within 45 days all of the revisions to its budget needed in the current year to meet the costs of the agreement at the time of the approval of the proposed collective bargaining agreement, the county superintendent of schools is required to issue a qualified or negative certification for the district on its next interim report.

## **Assumptions**

See attached page for a list of the assumptions upon which this certification is based.

## **Certifications**

\_\_\_\_ I hereby certify      \_\_\_\_ I am unable to certify

\_\_\_\_\_  
**District Superintendent**  
(Signature)

\_\_\_\_\_  
**Date**

\_\_\_\_ I hereby certify      \_\_\_\_ I am unable to certify

\_\_\_\_\_  
**Chief Business Official**  
(Signature)

\_\_\_\_\_  
**Date**

**Special Note:** The Santa Barbara County Education Office may request additional information, as necessary, to review the district's compliance with requirements.



Orcutt Union School District

CSEA

**Assumptions and Explanations** (enter or attach documentation)

The assumptions upon which this certification is made are as follows:

Agreements will be attached.

Concerns regarding affordability of agreement in subsequent years (if any):

In the current year, the District is making reduction in expenditures in order to afford the raise.

Specifically, the District is making reductions to our legal fees budget, utility savings and overtime and substitute costs.

The District believes the agreement will be affordable in subsequent years.

In 2021-22 the District will be looking to reduce expenditures in services in its restricted programs by making improvements in efficiency and changes to the way its restricted programs are implemented.



**L. CERTIFICATION NO. 2**

The disclosure document must be signed by the district Superintendent at the time of public disclosure and by the President or Clerk of the Governing Board at the time of formal board action on the proposed agreement.

The information provided in this document summarizes the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions of the agreement (as provided in the "Public Disclosure of Proposed Collective Bargaining Agreement") in accordance with the requirements of AB 1200 and Government Code Sections 3540.2(a) and 3547.5.

Orcutt Union School District

**District Name**

**District Superintendent  
(Signature)**

**Date**

Deborah Blow

**Contact Person**

805-938-8900

**Phone**

After public disclosure of the major provisions contained in this summary, the Governing Board at its meeting on April 8, 2020, took action to approve the proposed agreement with the CSEA Bargaining Unit(s).

**President (or Clerk), Governing Board  
(Signature)**

**Date**

**Special Note:** The Santa Barbara County Education Office may request additional information, as necessary, to review the district's compliance with requirements.



## BUSINESS SERVICES MEMORANDUM

**TO:** Board of Trustees  
Deborah Blow, Ed.D.

**FROM:** Bill Young  
Assistant Superintendent, Business Services

**BOARD MEETING DATE:** April 8, 2020

**BOARD AGENDA ITEM:** AB1200 Public Disclosure of proposed Collective Bargaining Agreement – Orcutt Educators Association and Certificated Management.

**BACKGROUND:** Before entering into a written agreement with a collective bargaining unit, all school districts must disclose at a public meeting, the costs that would be incurred in the current and subsequent two years as a result of the agreement. The Superintendent and Chief Business Official of the district must certify in writing that these costs can be met by the district during the term of the agreement.

Reference: AB 1200 (Chapter 1213/1991), GC 3540.2(a), GC 3547.5 and CCR, Title V and Section 15449.

**RECOMMENDATION:** Staff recommends that the Board of Trustees approve the attached AB 1200 Disclosure as submitted.

**FUNDING:** As presented in the attached AB 1200 Disclosure.

**PUBLIC DISCLOSURE OF PROPOSED COLLECTIVE BARGAINING AGREEMENT**  
in accordance with AB 1200 (Chapter 1213/Statutes 1992), AB 2756 (Chapter 52/Statutes 2004), GC 3547.5

Name of School District: **Orcutt Union School District**  
Name of Bargaining Unit: **OEA and Certificated Management**  
Certificated, Classified, Other: **Certificated and Certificated Management**

The proposed agreement covers the period beginning: **July 1, 2019** and ending: **June 30, 2022**  
(date) (date)

The Governing Board will act upon this agreement on: **April 8, 2020**  
(date)

**Note: This form, along with a copy of the proposed agreement, must be submitted to the County Office at least ten (10) working days prior to the date the Governing Board will take action.**

**A. Proposed Change in Compensation**

Bargaining Unit Compensation  All Funds - Combined		Fiscal Impact of Proposed Agreement (Complete Years 2 and 3 for multiyear and overlapping agreements only)			
		Annual Cost Prior to Proposed Settlement	Year 1 Increase/(Decrease)	Year 2 Increase/(Decrease)	Year 3 Increase/(Decrease)
			2019-20	2020-21	2021-22
1. <b>Salary Schedule</b> Including Step and Column	\$ 20,696,090	\$ 527,674			
			2.55%	0.00%	0.00%
2. <b>Other Compensation</b> Stipends, Bonuses, Longevity, Overtime, Differential, Callback or Standby Pay, etc.		\$ 52,036			
<b>Description of Other Compensation</b>					
3. <b>Statutory Benefits - STRS, PERS, FICA, WC, UI, Medicare, etc.</b>	\$ 6,459,950	\$ 113,267			
			1.75%	0.00%	0.00%
4. <b>Health/Welfare Plans</b>	\$ 3,164,595				
			0.00%	0.00%	0.00%
5. <b>Total Bargaining Unit Compensation</b> Add Items 1 through 4 to equal 5	\$ 30,320,635	\$ 692,977	\$ -	\$ -	
			2.29%	0.00%	0.00%
6. <b>Total Number of Bargaining Unit Employees</b> (Use FTEs if appropriate)	260.45				
7. <b>Total Compensation <u>Average</u> Cost per Bargaining Unit Employee</b>	\$ 116,416	\$ 2,661	\$ -	\$ -	
			2.29%	0.00%	0.00%



Orcutt Union School District  
OEA and Certificated Management

8. What was the negotiated percentage change? For example, if the change in "Year 1" was for less than a full year, what is the annualized percentage of that change for "Year 1"?

2.55% on schedule, retroactive to July 1, 2019.

9. Were any additional steps, columns, or ranges added to the salary schedules? (If yes, please explain.)

Yes, Step 1 through 4 were added to column VI. This will mostly effect our Speech Lanuage Pathologists who already have a Masters degree when they are hired.

10. Please include comments and explanations as necessary. (If more room is necessary, please attach an additional sheet.)

Stipends for combination grade level teachers was increased by \$500. We will also add the combination stipend for secondary level teachers who teach multiple grade levels in one class.

11. Does this bargaining unit have a negotiated cap for Health and Welfare benefits?

Yes ☒ No ☐

If yes, please describe the cap amount.

Single = \$8,922, 2 party = \$13,596, Family = \$18,675. No change in Health & Welfare benefits due to the settlement.

**B. Proposed negotiated changes in noncompensation items** (i.e., class size adjustments, staff development days, teacher prep time, classified staffing ratios, etc.)

The agreement on class size will allow us to maintain the status quo and elimiate 7.0FTE teaching positions that were in the MYP starting in 2020-21, when our class sizes were set to decrease. This will save the district a total of \$573,392 in salary and benefits.

**C. What are the specific impacts (positive or negative) on instructional and support programs to accommodate the settlement?** Include the impact of changes such as staff reductions or increases, program reductions or increases, elimination or expansion of other services or programs (i.e., counselors, librarians, custodial staff, etc.)

We will be adding instructional assistant support for any K-3 PE class that exceeds 45 students and in any grade 4-6 glass that exceeds 50 students. We anticipate hiring 3 Instructional Assistants at 3.5 hours each for 180 days. These positions will not receive PERS or health a& welfare benefits.

Orcutt Union School District  
OEA and Certificated Management

**D. What contingency language is included in the proposed agreement (e.g., reopeners, etc.)?**

The term of the agreement is July 1, 2019 through June 30, 2022. The Parties agree to automatic reopeners in the school years of 2020-21 and 2021-22 of Article X, Compensation and Health and Welfare, and four additional articles, two per party.

**E. Identify other major provisions that do not directly affect the district's costs, such as binding arbitrations, grievance procedures, etc.**

None

**F. Source of Funding for Proposed Agreement:**

1. Current Year

Budget reductions in the current fiscal year, specifically in the areas of utilities, legal fees and substitute and overtime costs.

2. If this is a single year agreement, how will the ongoing cost of the proposed agreement be funded in subsequent years?

Savings in our MYP due to settlement on class size. Our MYP submitted at Second Interim assumed we would be hiring 7.0 FTE in 2020-21 due to the expiration of a class size MOU. We were able to negotiate to maintain status quo on class size, which allows us to eliminate that expenditure in the out years.

3. If this is a multiyear agreement, what is the source of funding, including assumptions used, to fund these obligations in subsequent years? (Remember to include compounding effects in meeting obligations.)



## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

**Unrestricted General Fund**  
 Bargaining Unit: OEA and Certificated Management

Object Code	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Adjustments as a Result of Settlement (compensation)	Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>				
LCFF Revenue 8010-8099	\$ 37,931,436		\$ -	\$ 37,931,436
Federal Revenue 8100-8299			\$ -	\$ -
Other State Revenue 8300-8599	\$ 1,210,649		\$ -	\$ 1,210,649
Other Local Revenue 8600-8799	\$ 1,961,163		\$ -	\$ 1,961,163
<b>TOTAL REVENUES</b>	\$ 41,103,248		\$ -	\$ 41,103,248
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ 16,252,535	\$ 392,657		\$ 16,645,192
Classified Salaries 2000-2999	\$ 5,023,144		\$ 152,625	\$ 5,175,769
Employee Benefits 3000-3999	\$ 8,033,745	\$ 76,632	\$ 37,291	\$ 8,147,668
Books and Supplies 4000-4999	\$ 2,900,774			\$ 2,900,774
Services, Other Operating Expenses 5000-5999	\$ 2,248,542		\$ (184,718)	\$ 2,063,824
Capital Outlay 6000-6999	\$ 426,900		\$ -	\$ 426,900
Other Outgo 7100-7299 7400-7499			\$ -	\$ -
Indirect/Direct Support Costs 7300-7399	\$ (140,600)		\$ -	\$ (140,600)
<b>TOTAL EXPENDITURES</b>	\$ 34,745,040	\$ 469,289	\$ 5,198	\$ 35,219,527
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers In and Other Sources 8900-8979		\$ -	\$ -	\$ -
Transfers Out and Other Uses 7600-7699	\$ 625,000	\$ -	\$ -	\$ 625,000
Contributions 8980-8999	\$ (6,088,329)	\$ -	\$ -	\$ (6,088,329)
<b>OPERATING SURPLUS (DEFICIT)*</b>	\$ (355,121)	\$ (469,289)	\$ (5,198)	\$ (829,608)
<b>BEGINNING FUND BALANCE</b>				
9791	\$ 10,755,236			\$ 10,755,236
Prior-Year Adjustments/Restatements 9793/9795				\$ -
<b>ENDING FUND BALANCE</b>	\$ 10,400,114	\$ (469,289)	\$ (5,198)	\$ 9,925,627
<b>COMPONENTS OF ENDING BALANCE:</b>				
Nonspendable Amounts 9711-9719	\$ 28,951	\$ -	\$ -	\$ 28,951
Restricted Amounts 9740				
Committed Amounts 9750-9760	\$ 8,288,024	\$ -	\$ -	\$ 8,288,024
Assigned Amounts 9780	\$ 322,636	\$ (197,289)	\$ (25,000)	\$ 100,347
Reserve for Economic Uncertainties 9789	\$ 1,488,504	\$ -	\$ 19,802	\$ 1,508,306
Unassigned/Unappropriated Amount 9790	\$ 272,000	\$ (272,000)	\$ -	\$ -

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**



## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

**Restricted General Fund**  
 Bargaining Unit: OEA and Certificated Management

Object Code		Column 1	Column 2	Column 3	Column 4
		Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Adjustments as a Result of Settlement (compensation)	Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>					
LCFF Revenue	8010-8099	\$ 1,202,317		\$ -	\$ 1,202,317
Federal Revenue	8100-8299	\$ 1,850,116		\$ -	\$ 1,850,116
Other State Revenue	8300-8599	\$ 2,397,891		\$ -	\$ 2,397,891
Other Local Revenue	8600-8799	\$ 1,979,183		\$ -	\$ 1,979,183
<b>TOTAL REVENUES</b>		\$ 7,429,507		\$ -	\$ 7,429,507
<b>EXPENDITURES</b>					
Certificated Salaries	1000-1999	\$ 3,241,699	\$ 109,576	\$ -	\$ 3,351,275
Classified Salaries	2000-2999	\$ 2,090,195		\$ 46,999	\$ 2,137,194
Employee Benefits	3000-3999	\$ 3,569,335	\$ 21,407	\$ 13,318	\$ 3,604,060
Books and Supplies	4000-4999	\$ 788,054		\$ -	\$ 788,054
Services, Other Operating Expenses	5000-5999	\$ 2,228,516		\$ -	\$ 2,228,516
Capital Outlay	6000-6999	\$ 42,510		\$ -	\$ 42,510
Other Outgo	7100-7299	\$ 1,843,036		\$ -	\$ 1,843,036
	7400-7499				
Indirect/Direct Support Costs	7300-7399	\$ 43,400		\$ -	\$ 43,400
<b>TOTAL EXPENDITURES</b>		\$ 13,846,745	\$ 130,983	\$ 60,317	\$ 14,038,045
<b>OTHER FINANCING SOURCES/USES</b>					
Transfers In and Other Sources	8900-8979	\$ -	\$ -	\$ -	\$ -
Transfers Out and Other Uses	7600-7699	\$ 400,000	\$ -	\$ -	\$ 400,000
Contributions	8980-8999	\$ 6,088,329	\$ -	\$ -	\$ 6,088,329
<b>OPERATING SURPLUS (DEFICIT)*</b>		\$ (728,909)	\$ (130,983)	\$ (60,317)	\$ (920,209)
<b>BEGINNING FUND BALANCE</b>					
	9791	\$ 1,256,427			\$ 1,256,427
Prior-Year Adjustments/Restatements	9793/9795	\$ -			\$ -
<b>ENDING FUND BALANCE</b>		\$ 527,517	\$ (130,983)	\$ (60,317)	\$ 336,217
<b>COMPONENTS OF ENDING BALANCE:</b>					
Nonspendable Amounts	9711-9719	\$ -	\$ -	\$ -	\$ -
Restricted Amounts	9740	\$ 527,517	\$ (130,983)	\$ (60,317)	\$ 336,217
Committed Amounts	9750-9760				
Assigned Amounts	9780				
Reserve for Economic Uncertainties	9789		\$ -	\$ -	\$ -
Unassigned/Unappropriated Amount	9790	\$ -	\$ -	\$ -	\$ (0)

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**



## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

**Combined General Fund**  
 Bargaining Unit: OEA and Certificated Management

Object Code	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Adjustments as a Result of Settlement (compensation)	Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>				
LCFF Revenue 8010-8099	\$ 39,133,753		\$ -	\$ 39,133,753
Federal Revenue 8100-8299	\$ 1,850,116		\$ -	\$ 1,850,116
Other State Revenue 8300-8599	\$ 3,608,540		\$ -	\$ 3,608,540
Other Local Revenue 8600-8799	\$ 3,940,346		\$ -	\$ 3,940,346
<b>TOTAL REVENUES</b>	\$ 48,532,755		\$ -	\$ 48,532,755
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ 19,494,234	\$ 502,233	\$ -	\$ 19,996,467
Classified Salaries 2000-2999	\$ 7,113,339	\$ -	\$ 199,624	\$ 7,312,963
Employee Benefits 3000-3999	\$ 11,603,080	\$ 98,039	\$ 50,609	\$ 11,751,728
Books and Supplies 4000-4999	\$ 3,688,828		\$ -	\$ 3,688,828
Services, Other Operating Expenses 5000-5999	\$ 4,477,058		\$ (184,718)	\$ 4,292,340
Capital Outlay 6000-6999	\$ 469,410		\$ -	\$ 469,410
Other Outgo 7100-7299 7400-7499	\$ 1,843,036		\$ -	\$ 1,843,036
Indirect/Direct Support Costs 7300-7399	\$ (97,200)		\$ -	\$ (97,200)
<b>TOTAL EXPENDITURES</b>	\$ 48,591,786	\$ 600,272	\$ 65,515	\$ 49,257,573
<b>OTHER FINANCING SOURCES/USES</b>				
Transfer In and Other Sources 8900-8979	\$ -	\$ -	\$ -	\$ -
Transfers Out and Other Uses 7600-7699	\$ 1,025,000	\$ -	\$ -	\$ 1,025,000
Contributions 8980-8999	\$ -	\$ -	\$ -	\$ -
<b>OPERATING SURPLUS (DEFICIT)*</b>	\$ (1,084,030)	\$ (600,272)	\$ (65,515)	\$ (1,749,817)
<b>BEGINNING FUND BALANCE</b> 9791	\$ 12,011,662			\$ 12,011,662
Prior-Year Adjustments/Restatements 9793/9795	\$ -			\$ -
<b>ENDING FUND BALANCE</b>	\$ 10,927,632	\$ (600,272)	\$ (65,515)	\$ 10,261,845
<b>COMPONENTS OF ENDING BALANCE:</b>				
Nonspendable Amounts 9711-9719	\$ 28,951	\$ -	\$ -	\$ 28,951
Restricted Amounts 9740	\$ 527,517	\$ (130,983)	\$ (60,317)	\$ 336,217
Committed Amounts 9750-9760	\$ 8,288,024	\$ -	\$ -	\$ 8,288,024
Assigned Amounts 9780	\$ 322,636	\$ (197,289)	\$ (25,000)	\$ 100,347
Reserve for Economic Uncertainties 9789	\$ 1,488,504	\$ -	\$ 19,802	\$ 1,508,306
Unassigned/Unappropriated Amount 9790	\$ 272,000	\$ (272,000)	\$ -	\$ -

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**



## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET****Fund 12 - Child Development Fund**

Bargaining Unit:

OEA and Certificated Management

Object Code	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Adjustments as a Result of Settlement (compensation)	Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>				
Federal Revenue 8100-8299	\$ -		\$ -	\$ -
Other State Revenue 8300-8599	\$ 225,024		\$ -	\$ 225,024
Other Local Revenue 8600-8799	\$ 12,300		\$ -	\$ 12,300
<b>TOTAL REVENUES</b>	\$ 237,324		\$ -	\$ 237,324
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ 3,729	\$ 95	\$ -	\$ 3,824
Classified Salaries 2000-2999	\$ 139,519		\$ 3,110	\$ 142,629
Employee Benefits 3000-3999	\$ 60,848	\$ 19	\$ 881	\$ 61,748
Books and Supplies 4000-4999	\$ 13,558		\$ (3,805)	\$ 9,753
Services, Other Operating Expenses 5000-5999	\$ 10,170		\$ -	\$ 10,170
Capital Outlay 6000-6999	\$ -		\$ -	\$ -
Other Outgo 7100-7299	\$ 9,200		\$ -	\$ 9,200
7400-7499				
Indirect/Direct Support Costs 7300-7399	\$ -		\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 237,024	\$ 114	\$ 186	\$ 237,324
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers In and Other Sources 8900-8979	\$ -	\$ -	\$ -	\$ -
Transfers Out and Other Uses 7600-7699	\$ -	\$ -	\$ -	\$ -
<b>OPERATING SURPLUS (DEFICIT)*</b>	\$ 300	\$ (114)	\$ (186)	\$ -
<b>BEGINNING FUND BALANCE</b> 9791	\$ -			\$ -
Prior-Year Adjustments/Restatements 9793/9795	\$ -			\$ -
<b>ENDING FUND BALANCE</b>	\$ 300	\$ (114)	\$ (186)	\$ -
<b>COMPONENTS OF ENDING BALANCE:</b>				
Nonspendable Amounts 9711-9719	\$ -	\$ -	\$ -	\$ -
Restricted Amounts 9740	\$ -	\$ -	\$ -	\$ -
Committed Amounts 9750-9760	\$ -	\$ -	\$ -	\$ -
Assigned Amounts 9780	\$ -	\$ -	\$ -	\$ -
Reserve for Economic Uncertainties 9789	\$ -	\$ -	\$ -	\$ -
Unassigned/Unappropriated Amount 9790	\$ 300	\$ (114)	\$ (186)	\$ -

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**



## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET****Fund 13/61 - Cafeteria Fund**

Bargaining Unit:

OEA and Certificated Management

Object Code	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Adjustments as a Result of Settlement (compensation)	Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>				
LCFF Revenue 8010-8099	\$ -		\$ -	\$ -
Federal Revenue 8100-8299	\$ 1,263,542		\$ -	\$ 1,263,542
Other State Revenue 8300-8599	\$ 86,000		\$ -	\$ 86,000
Other Local Revenue 8600-8799	\$ 716,400		\$ -	\$ 716,400
<b>TOTAL REVENUES</b>	\$ 2,065,942		\$ -	\$ 2,065,942
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ -	\$ -	\$ -	\$ -
Classified Salaries 2000-2999	\$ 753,138		\$ 17,063	\$ 770,201
Employee Benefits 3000-3999	\$ 261,108		\$ 4,835	\$ 265,943
Books and Supplies 4000-4999	\$ 995,101			\$ 995,101
Services, Other Operating Expenses 5000-5999	\$ 46,439		\$ -	\$ 46,439
Capital Outlay 6000-6999	\$ 20,000		\$ -	\$ 20,000
Other Outgo 7100-7299 7400-7499	\$ -		\$ -	\$ -
Indirect/Direct Support Costs 7300-7399	\$ 88,000		\$ -	\$ 88,000
<b>TOTAL EXPENDITURES</b>	\$ 2,163,786	\$ -	\$ 21,898	\$ 2,185,684
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers In and Other Sources 8900-8979	\$ 25,000	\$ -	\$ -	\$ 25,000
Transfers Out and Other Uses 7600-7699	\$ -	\$ -	\$ -	\$ -
<b>OPERATING SURPLUS (DEFICIT)*</b>	\$ (72,843)	\$ -	\$ (21,898)	\$ (94,741)
<b>BEGINNING FUND BALANCE</b>				
9791	\$ 1,598,879			\$ 1,598,879
Prior-Year Adjustments/Restatements 9793/9795	\$ -			\$ -
<b>ENDING FUND BALANCE</b>	\$ 1,526,035	\$ -	\$ (21,898)	\$ 1,504,137
<b>COMPONENTS OF ENDING BALANCE:</b>				
Nonspendable Amounts 9711-9719	\$ -	\$ -	\$ -	\$ -
Restricted Amounts 9740	\$ 1,526,035		\$ (21,898)	\$ 1,504,137
Committed Amounts 9750-9760	\$ -	\$ -	\$ -	\$ -
Assigned Amounts 9780	\$ -	\$ -	\$ -	\$ -
Reserve for Economic Uncertainties 9789	\$ -	\$ -	\$ -	\$ -
Unassigned/Unappropriated Amount 9790	\$ 0	\$ -	\$ -	\$ 0

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**



## Orcutt Union School District

**G. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**Enter Fund: **Fund 09**Bargaining Unit: **OEA and Certificated Management**

Object Code	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of March 11, 2020)	Adjustments as a Result of Settlement (compensation)	Other Revisions (agreement support and/or other unit agreement) Explain on Page 4i	Total Revised Budget (Columns 1+2+3)
<b>REVENUES</b>				
Federal Revenue 8100-8299	\$ -		\$ -	\$ -
Other State Revenue 8300-8599	\$ 7,842,149		\$ -	\$ 7,842,149
Other Local Revenues 8600-8799	\$ 206,085		\$ -	\$ 206,085
<b>TOTAL REVENUES</b>	\$ 8,048,234		\$ -	\$ 8,048,234
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ 3,170,869	\$ 77,459	\$ -	\$ 3,248,328
Classified Salaries 2000-2999	\$ 484,188		\$ 10,410	\$ 494,598
Employee Benefits 3000-3999	\$ 1,659,327	\$ 15,132	\$ 2,950	\$ 1,677,409
Books and Supplies 4000-4999	\$ 510,213		\$ -	\$ 510,213
Services, Other Operating Expenses 5000-5999	\$ 2,419,133		\$ -	\$ 2,419,133
Capital Outlay 6000-6999	\$ -		\$ -	\$ -
Other Outgo 7100-7299	\$ -		\$ -	\$ -
7400-7499				
Indirect/Direct Support Costs 7300-7399	\$ -		\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 8,243,730	\$ 92,591	\$ 13,360	\$ 8,349,681
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers In and Other Sources 8900-8979	\$ -	\$ -	\$ -	\$ -
Transfers Out and Other Uses 7600-7699	\$ 85,000	\$ -	\$ -	\$ 85,000
<b>OPERATING SURPLUS (DEFICIT)*</b>	\$ (280,496)	\$ (92,591)	\$ (13,360)	\$ (386,447)
<b>BEGINNING FUND BALANCE</b>				
9791	\$ 1,632,778			\$ 1,632,778
Prior-Year Adjustments/Restatements 9793/9795	\$ -			\$ -
<b>ENDING FUND BALANCE</b>	\$ 1,352,282	\$ (92,591)	\$ (13,360)	\$ 1,246,331
<b>COMPONENTS OF ENDING BALANCE:</b>				
Nonspendable Amounts 9711-9719	\$ -	\$ -	\$ -	\$ -
Restricted Amounts 9740	\$ 23,839	\$ -	\$ -	\$ 23,839
Committed Amounts 9750-9760	\$ -	\$ -	\$ -	\$ -
Assigned Amounts 9780	\$ 1,328,443	\$ (92,591)	\$ (13,360)	\$ 1,222,492
Reserve for Economic Uncertainties 9789	\$ -	\$ -	\$ -	\$ -
Unassigned/Unappropriated Amount 9790	\$ (0)	\$ -	\$ -	\$ (0)

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts in Columns 1 and 4 must be positive**

Orcutt Union School District  
OEA and Certificated Management

**Explanations for Column 3 "Other Revisions" entered on Pages 4a through 4h:**

Page 4a: Unrestricted General Fund	Amount	E
Revenues	\$ -	
Expenditures	\$ 5,198	due to classified settlement and
Other Financing Sources/Uses	\$ -	This is the net effect. It is offset

Page 4b: Restricted General Fund	Amount	E
Revenues	\$ -	
Expenditures	\$ 60,317	cost of classified settlement
Other Financing Sources/Uses	\$ -	

Page 4d: Fund 11 - Adult Education Fund	Amount	E
Revenues	\$ -	
Expenditures	\$ -	
Other Financing Sources/Uses	\$ -	

Page 4e: Fund 12 - Child Development Fund	Amount	E
Revenues	\$ -	
Expenditures	\$ 186	difference between cost of settle
Other Financing Sources/Uses	\$ -	

Page 4f: Fund 13/61 - Cafeteria Fund	Amount	E
Revenues	\$ -	
Expenditures	\$ 21,898	Cost of classified settlement
Other Financing Sources/Uses	\$ -	

Page 4g: Other	Amount	E
Revenues	\$ -	
Expenditures	\$ 13,360	cost of classified settlement
Other Financing Sources/Uses	\$ -	

Page 4h: Other	Amount	E
Revenues	\$ -	
Expenditures	\$ -	
Other Financing Sources/Uses	\$ -	

Additional Comments:



## Orcutt Union School District

**H. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS****Unrestricted General Fund MYP**

Bargaining Unit:

OEA and Certificated Management

		2019-20	2020-21	2021-22
		Total Revised Budget After Settlement	First Subsequent Year After Settlement	Second Subsequent Year After Settlement
Object Code				
REVENUES				
LCFF Revenue	8010-8099	\$ 37,931,436	\$ 38,125,390	\$ 38,253,540
Federal Revenue	8100-8299	\$ -	\$ -	\$ -
Other State Revenue	8300-8599	\$ 1,210,649	\$ 832,475	\$ 833,216
Other Local Revenue	8600-8799	\$ 1,961,163	\$ 1,965,438	\$ 1,970,314
TOTAL REVENUES		\$ 41,103,248	\$ 40,923,303	\$ 41,057,070
EXPENDITURES				
Certificated Salaries	1000-1999	\$ 16,645,192	\$ 16,704,823	\$ 16,804,616
Classified Salaries	2000-2999	\$ 5,175,769	\$ 5,401,332	\$ 5,451,896
Employee Benefits	3000-3999	\$ 8,147,668	\$ 8,590,464	\$ 8,740,874
Books and Supplies	4000-4999	\$ 2,900,774	\$ 1,575,929	\$ 1,621,473
Services, Other Operating Expenses	5000-5999	\$ 2,063,824	\$ 1,911,943	\$ 2,103,137
Capital Outlay	6000-6999	\$ 426,900	\$ 130,684	\$ 155,049
Other Outgo	7100-7299 7400-7499	\$ -	\$ -	\$ -
Indirect/Direct Support Costs	7300-7399	\$ (140,600)	\$ (133,202)	\$ (141,517)
Other Adjustments				\$ -
TOTAL EXPENDITURES		\$ 35,219,527	\$ 34,181,973	\$ 34,735,528
OTHER FINANCING SOURCES/USES				
Transfers In and Other Sources	8900-8979	\$ -	\$ -	\$ -
Transfers Out and Other Uses	7600-7699	\$ 625,000	\$ 650,000	\$ 675,000
Contributions	8980-8999	\$ (6,088,329)	\$ (6,609,576)	\$ (7,015,426)
OPERATING SURPLUS (DEFICIT)*		\$ (829,608)	\$ (518,246)	\$ (1,368,884)
BEGINNING FUND BALANCE	9791	\$ 10,755,236	\$ 9,925,627	\$ 9,407,381
Prior-Year Adjustments/Restatements	9793/9795	\$ -		
ENDING FUND BALANCE		\$ 9,925,627	\$ 9,407,381	\$ 8,038,497
COMPONENTS OF ENDING BALANCE:				
Nonspendable Amounts	9711-9719	\$ 28,951	\$ 28,951	\$ 28,951
Restricted Amounts	9740			
Committed Amounts	9750-9760	\$ 8,288,024	\$ 7,906,853	\$ 6,513,311
Assigned Amounts	9780	\$ 100,347	\$ -	\$ -
Reserve for Economic Uncertainties	9789	\$ 1,508,306	\$ 1,471,577	\$ 1,496,235
Unassigned/Unappropriated Amount	9790	\$ -	\$ 0	\$ 0

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts must be positive**



## Orcutt Union School District

**H. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS**

Bargaining Unit: **Restricted General Fund MYP**  
**OEA and Certificated Management**

		2019-20	2020-21	2021-22
		Total Revised Budget After Settlement	First Subsequent Year After Settlement	Second Subsequent Year After Settlement
Object Code				
REVENUES				
LCFF Revenue	8010-8099	\$ 1,202,317	\$ 1,229,850	\$ 1,263,179
Federal Revenue	8100-8299	\$ 1,850,116	\$ 1,655,152	\$ 1,655,152
Other State Revenue	8300-8599	\$ 2,397,891	\$ 2,405,273	\$ 2,505,060
Other Local Revenue	8600-8799	\$ 1,979,183	\$ 1,996,331	\$ 2,013,331
TOTAL REVENUES		\$ 7,429,507	\$ 7,286,606	\$ 7,436,722
EXPENDITURES				
Certificated Salaries	1000-1999	\$ 3,351,275	\$ 3,113,275	\$ 3,188,275
Classified Salaries	2000-2999	\$ 2,137,194	\$ 2,178,865	\$ 2,220,865
Employee Benefits	3000-3999	\$ 3,604,060	\$ 3,648,444	\$ 3,696,711
Books and Supplies	4000-4999	\$ 788,054	\$ 442,389	\$ 432,656
Services, Other Operating Expenses	5000-5999	\$ 2,228,516	\$ 2,318,474	\$ 2,215,062
Capital Outlay	6000-6999	\$ 42,510	\$ 98,240	\$ 128,069
Other Outgo	7100-7299 7400-7499	\$ 1,843,036	\$ 1,984,896	\$ 2,138,007
Indirect/Dirrect Support Costs	7300-7399	\$ 43,400	\$ 36,002	\$ 44,317
Other Adjustments			\$ -	\$ -
TOTAL EXPENDITURES		\$ 14,038,045	\$ 13,820,585	\$ 14,063,962
OTHER FINANCING SOURCES/USES				
Transfers In and Other Sources	8900-8979	\$ -	\$ -	\$ -
Transfers Out and Other Uses	7600-7699	\$ 400,000	\$ 400,000	\$ 400,000
Contributions	8980-8999	\$ 6,088,329	\$ 6,609,576	\$ 7,015,426
OPERATING SURPLUS (DEFICIT)*		\$ (920,209)	\$ (324,403)	\$ (11,814)
BEGINNING FUND BALANCE	9791	\$ 1,256,427	\$ 336,217	\$ 11,814
Prior-Year Adjustments/Restatements	9793/9795	\$ -		
ENDING FUND BALANCE		\$ 336,217	\$ 11,814	\$ 0
COMPONENTS OF ENDING BALANCE:				
Nonspendable Amounts	9711-9719	\$ -	\$ -	\$ -
Restricted Amounts	9740	\$ 336,217		
Committed Amounts	9750-9760			
Assigned Amounts	9780			
Reserve for Economic Uncertainties	9789	\$ -	\$ -	\$ -
Unassigned/Unappropriated Amount	9790	\$ (0)	\$ 11,814	\$ 0

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts must be positive**

## Orcutt Union School District

**H. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS**

**Combined General Fund MYP**  
**OEA and Certificated Management**

Bargaining Unit:

Object Code	2019-20	2020-21	2021-22
	Total Revised Budget After Settlement	First Subsequent Year After Settlement	Second Subsequent Year After Settlement
REVENUES			
LCFF Revenue 8010-8099	\$ 39,133,753	\$ 39,355,240	\$ 39,516,719
Federal Revenue 8100-8299	\$ 1,850,116	\$ 1,655,152	\$ 1,655,152
Other State Revenue 8300-8599	\$ 3,608,540	\$ 3,237,748	\$ 3,338,276
Other Local Revenue 8600-8799	\$ 3,940,346	\$ 3,961,769	\$ 3,983,645
TOTAL REVENUES	\$ 48,532,755	\$ 48,209,909	\$ 48,493,792
EXPENDITURES			
Certificated Salaries 1000-1999	\$ 19,996,467	\$ 19,818,098	\$ 19,992,891
Classified Salaries 2000-2999	\$ 7,312,963	\$ 7,580,197	\$ 7,672,761
Employee Benefits 3000-3999	\$ 11,751,728	\$ 12,238,908	\$ 12,437,585
Books and Supplies 4000-4999	\$ 3,688,828	\$ 2,018,318	\$ 2,054,129
Services, Other Operating Expenses 5000-5999	\$ 4,292,340	\$ 4,230,417	\$ 4,318,199
Capital Outlay 6000-6999	\$ 469,410	\$ 228,924	\$ 283,118
Other Outgo 7100-7299 7400-7499	\$ 1,843,036	\$ 1,984,896	\$ 2,138,007
Indirect/Direct Support Costs 7300-7399	\$ (97,200)	\$ (97,200)	\$ (97,200)
Other Adjustments		\$ -	\$ -
TOTAL EXPENDITURES	\$ 49,257,573	\$ 48,002,558	\$ 48,799,490
OTHER FINANCING SOURCES/USES			
Transfers In and Other Sources 8900-8979	\$ -	\$ -	\$ -
Transfers Out and Other Uses 7600-7699	\$ 1,025,000	\$ 1,050,000	\$ 1,075,000
Contributions 8980-8999	\$ -	\$ -	\$ -
OPERATING SURPLUS (DEFICIT)*	\$ (1,749,817)	\$ (842,649)	\$ (1,380,698)
BEGINNING FUND BALANCE 9791	\$ 12,011,662	\$ 10,261,845	\$ 9,419,196
Prior-Year Adjustments/Restatements 9793/9795	\$ -		
ENDING FUND BALANCE	\$ 10,261,845	\$ 9,419,196	\$ 8,038,498
COMPONENTS OF ENDING BALANCE:			
Nonspendable Amounts 9711-9719	\$ 28,951	\$ 28,951	\$ 28,951
Restricted Amounts 9740	\$ 336,217	\$ -	\$ -
Committed Amounts 9750-9760	\$ 8,288,024	\$ 7,906,853	\$ 6,513,311
Assigned Amounts 9780	\$ 100,347	\$ -	\$ -
Reserve for Economic Uncertainties 9789	\$ 1,508,306	\$ 1,471,577	\$ 1,496,235
Unassigned/Unappropriated Amount 9790	\$ -	\$ 11,815	\$ 1

\*Net Increase (Decrease) in Fund Balance

**NOTE: 9790 amounts must be positive**



Orcutt Union School District  
OEA and Certificated Management

**I. IMPACT OF PROPOSED AGREEMENT ON UNRESTRICTED RESERVES**

## 1. State Reserve Standard

		2019-20	2020-21	2021-22
a.	Total Expenditures, Transfers Out, and Uses (Including Cost of Proposed Agreement)	\$ 50,282,573	\$ 49,052,558	\$ 49,874,490
b.	Less: Special Education Pass-Through Funds	\$ -	\$ -	\$ -
c.	Net Expenditures, Transfers Out, and Uses	\$ 50,282,573	\$ 49,052,558	\$ 49,874,490
d.	State Standard Minimum Reserve Percentage for this District <b>Enter percentage</b> →	3.00%	3.00%	3.00%
e.	State Standard Minimum Reserve Amount for this District (For districts with less than 1,001 ADA, this is the greater of Line a, times Line b, or \$50,000)	\$ 1,508,477	\$ 1,471,577	\$ 1,496,235

## 2. Budgeted Unrestricted Reserve (After Impact of Proposed Agreement)

a.	General Fund Budgeted Unrestricted Designated for Economic Uncertainties (9789)	\$ 1,508,306	\$ 1,471,577	\$ 1,496,235
b.	General Fund Budgeted Unrestricted Unassigned/Unappropriated Amount (9790)	\$ -	\$ 0	\$ 0
c.	Special Reserve Fund (Fund 17) Budgeted Designated for Economic Uncertainties (9789)	\$ -	\$ -	\$ -
d.	Special Reserve Fund (Fund 17) Budgeted Unassigned/Unappropriated Amount (9790)	\$ -	\$ -	\$ -
e.	Total Available Reserves	\$ 1,508,306	\$ 1,471,577	\$ 1,496,235
f.	Reserve for Economic Uncertainties Percentage	3.00%	3.00%	3.00%

## 3. Do unrestricted reserves meet the state minimum reserve amount?

2019-20

Yes

☒

No

☐

2020-21

Yes

☒

No

☐

2021-22

Yes

☒

No

☐

## 4. If no, how do you plan to restore your reserves?

We will make budget reductions in the current year and slight budget reductions in 2020-21. For 2021-22 we will make more significant budget reductions so we are not deficit spending and have sufficient reserves.



Orcutt Union School District  
OEA and Certificated Management

**5. Does the Total Compensation Increase/(Decrease) on Page 1, Section A, #5 agree with the Total Increase/(Decrease) for all funds as a result of the settlement(s)? Please explain any variance.**

Total Compensation Increase/(Decrease) on Page 1, Section A, #5	\$ 692,977
General Fund balance Increase/(Decrease), Page 4c, Column 2	\$ (600,272)
Adult Education Fund balance Increase/(Decrease), Page 4d, Column 2	\$ -
Child Development Fund balance Increase/(Decrease), Page 4e, Column 2	\$ (114)
Cafeteria Fund balance Increase/(Decrease), Page 4f, Column 2	\$ -
Other Fund balance Increase/(Decrease), Page 4g, Column 2	\$ (92,591)
Other Fund balance Increase/(Decrease), Page 4h, Column 2	\$ -
Total all fund balances Increase/(Decrease) as a result of the settlement(s)	\$ (692,977)

Variance \$ -

**Variance Explanation:**

**6. Will this agreement create or increase deficit financing in the current or subsequent years?**

"Deficit Financing" is defined to exist when a fund's expenditures and other financing uses exceed its revenues and other financing sources in a given year. If a deficit is shown below, provide an explanation and any deficit reduction plan, as necessary.

General Fund Combined	Surplus/ (Deficit)	(Deficit) %	Deficit primarily due to:
Current FY Surplus/(Deficit) before settlement(s)?	\$ (1,084,030)	(2.2%)	declining enrollment
Current FY Surplus/(Deficit) after settlement(s)?	\$ (1,749,817)	(3.5%)	declining enrollment
1st Subsequent FY Surplus/(Deficit) after settlement(s)?	\$ (842,649)	(1.7%)	declining enrollment
2nd Subsequent FY Surplus/(Deficit) after settlement(s)?	\$ (1,380,698)	(2.8%)	declining enrollment

**Deficit Reduction Plan (as necessary):**

The District will be exploring various budget reduction options during 20-21, with implementation beginning in 21-22.

Were "Other Adjustments" amount(s) entered in the multiyear projections (pages 5a and 5b) for 1st and 2nd

**7. Subsequent FY?**

"Other Adjustments" could indicate that a budget reduction plan was/is being developed to address deficit spending, and to rebuild reserves. Any amount shown below must have an explanation. If additional space is needed, attach a separate sheet, or use page 9a.

MYP	Amount	"Other Adjustments" Explanation
1st Subsequent FY Unrestricted, Page 5a	\$ -	
1st Subsequent FY Restricted, Page 5b	\$ -	
2nd Subsequent FY Unrestricted, Page 5a	\$ -	

## OEA and Certificated Management

**J. COMPARISON OF PROPOSED CHANGE IN TOTAL COMPENSATION TO CHANGE IN LCFF FUNDING FOR THE NEGOTIATED PERIOD**

The purpose of this form is to determine if the district has entered into bargaining agreements that would result in salary increases that are expected to exceed the projected increase in LCFF funding.

(fill out columns for which there is an agreement)

	Prior Year	2019-20	2020-21	2021-22
a. LCFF Funding per ADA	8,992.00	9,291.00	9,489.00	9,719.00
b. Amount Change from Prior Year Funding per ADA		299.00	198.00	230.00
c. Percentage Change from Prior Year Funding per ADA		3.33%	2.13%	2.42%
d. Total Compensation Amount Change (from Page 1, Section A, Line 5)		692,977.00	-	-
e. Total Compensation Percentage Change (from Page 1, Section A, Line 5)		2.29%	0.00%	0.00%
f. Proposed agreement is within/exceeds change in LCFF Funding (f vs. e)		Within	-	-



# **K. CERTIFICATION NO. 1: CERTIFICATION OF THE DISTRICT'S ABILITY TO MEET THE COSTS OF THE COLLECTIVE BARGAINING AGREEMENT**

This certification page must be signed by the district's Superintendent and Chief Business Official at the time of public disclosure and is intended to assist the district's Governing Board in determining whether the district can meet the costs incurred under the tentative Collective Bargaining Agreement in the current and subsequent years. The absence of a certification signature or if "I am unable to certify" is checked should serve as a "red flag" to the district's Governing Board.

In accordance with the requirements of Government Code Sections 3540.2 and 3547.5, the Superintendent and Chief Business Official of the Orcutt Union School District, hereby certify that the District can meet the costs incurred under this Collective Bargaining Agreement during the term of the agreement from July 1, 2019 to June 30, 2020.

## **Board Actions**

The board actions necessary to meet the cost of the agreement in each year of its term are as follows:

### Current Year

#### **Budget Adjustment Categories:**

Revenues/Other Financing Sources  
Expenditures/Other Financing Uses  
Ending Balance(s) Increase/(Decrease)

#### **Budget Adjustment Increase/(Decrease)**

\$	-
\$	793,936
\$	(793,936)

### Subsequent Years

#### **Budget Adjustment Categories:**

Revenues/Other Financing Sources  
Expenditures/Other Financing Uses  
Ending Balance(s) Increase/(Decrease)

#### **Budget Adjustment Increase/(Decrease)**

\$	-
\$	-
\$	-

## **Budget Revisions**

If the district does not adopt and submit within 45 days all of the revisions to its budget needed in the current year to meet the costs of the agreement at the time of the approval of the proposed collective bargaining agreement, the county superintendent of schools is required to issue a qualified or negative certification for the district on its next interim report.

## **Assumptions**

See attached page for a list of the assumptions upon which this certification is based.

## **Certifications**

☐ I hereby certify ☐ I am unable to certify

\_\_\_\_\_  
**District Superintendent**

(Signature)

\_\_\_\_\_  
**Date**

☐ I hereby certify ☐ I am unable to certify

\_\_\_\_\_  
**Chief Business Official**

(Signature)

\_\_\_\_\_  
**Date**

**Special Note:** The Santa Barbara County Education Office may request additional information, as necessary, to review the district's compliance with requirements.



Orcutt Union School District  
OEA and Certificated Management

**Assumptions and Explanations** (enter or attach documentation)

The assumptions upon which this certification is made are as follows:

Agreements will be attached.

Concerns regarding affordability of agreement in subsequent years (if any):

In the current year, the District is making reductions in expenditures in order to afford the raise.

Specifically, the District is making reductions to our legal fees budget, utility savings and overtime and substitute costs.

The District believes the agreement will be affordable in subsequent years.

In 2021-22 the District will be looking to reduce expenditures in services in its restricted programs by making improvements in efficiency and changes to the way its restricted programs are implemented.



**L. CERTIFICATION NO. 2**

The disclosure document must be signed by the district Superintendent at the time of public disclosure and by the President or Clerk of the Governing Board at the time of formal board action on the proposed agreement.

The information provided in this document summarizes the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions of the agreement (as provided in the "Public Disclosure of Proposed Collective Bargaining Agreement") in accordance with the requirements of AB 1200 and Government Code Sections 3540.2(a) and 3547.5.

Orcutt Union School District

**District Name**

**District Superintendent  
(Signature)**

Deborah Blow

**Contact Person**

**Date**

805-938-8900

**Phone**

After public disclosure of the major provisions contained in this summary, the Governing Board at its meeting on April 8, 2020, took action to approve the proposed agreement with the CSEA Bargaining Unit(s).

**President (or Clerk), Governing Board  
(Signature)**

**Date**

**Special Note:** The Santa Barbara County Education Office may request additional information, as necessary, to review the district's compliance with requirements.



Where a Dedicated Staff Means  
**KIDS COME FIRST**

**ORCUTT UNION SCHOOL DISTRICT**

**BOARD OF TRUSTEES**

SHAUN HENDERSON  
LISA MORININI  
LIZ PHILLIPS  
MARK STELLER  
MELANIE WAFFLE

DEBORAH BLOW, Ed.D.  
*District Superintendent*  
HOLLY EDDS, Ed.D.  
*Assistant Superintendent*  
SUSAN SALUCCI  
*Assistant Superintendent*  
WILLIAM YOUNG  
*Assistant Superintendent*  
KIRBY FELL  
*Chief Technology Officer*

DATE: April 8, 2020

TO: Board of Trustees

FROM: William Young, Assistant Superintendent of Business Services

RE: **Resolution #18** A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF ORCUTT UNION SCHOOL DISTRICT (SANTA BARBARA, CALIFORNIA) 2020 GENERAL OBLIGATION REFUNDING BONDS

**BACKGROUND**

An election was held in the Orcutt Union School District (the "District") on June 8, 1999 for the issuance and sale of general obligation bonds of the District for various purposes in the maximum principal amount of \$15,000,000 (the "1999 Authorization"). Pursuant to the 1999 Authorization, the District previously caused the issuance of its 2012 General Obligation Refunding Bonds, Series A (the "Prior Bonds") to refinance other then-outstanding bonds issued pursuant to the 1999 Authorization.

The District now desires to refinance certain of the outstanding Prior Bonds (so refunded, the "Refunded Bonds") through the issuance of general obligation refunding bonds (the "Refunding Bonds") in an aggregate principal amount not-to-exceed \$2,750,000. The refinancing is intended to generate debt service savings, with all benefits from the refunding delivered to the property owners in the District; the District will not receive any money from the transaction. The final maturity of the Refunding Bonds will not be later than the final maturity date of the Refunded Bonds.

(a) Resolution. The Resolution authorizes the issuance of the Refunding Bonds, specifies the basic terms, parameters and form of the Refunding Bonds, and approves the form of Notice Inviting Proposals for Purchase of Refunding Bonds, Notice of Intention to Sell, Continuing Disclosure Certificate, Escrow Agreement and Preliminary Official Statement described below. In particular, Section 1 of the Resolution establishes the maximum aggregate principal amount of the Refunding Bonds to be issued (\$2,750,000). The Resolution authorizes the issuance of current interest bonds only; capital appreciation bonds are not authorized. Section 3 of the Resolution authorizes the Refunding Bonds to be sold at a competitive sale, and authorizes Piper Sandler & Co., the District's municipal advisor, to solicit bids from prospective bidders, and award the sale of the Refunding Bonds on the basis of the lowest true interest cost.

(b) Notice Inviting Proposals for Purchase of Refunding Bonds; Notice of Intention to Sell. The Resolution includes as Exhibits B and C, respectively, the forms of Notice Inviting Proposals for Purchase

of Refunding Bonds and Notice of Intention Sell. The Resolution authorizes the District's municipal advisor to distribute the Notice Inviting Proposals for Purchase of Refunding Bonds to prospective bidders and to cause the Notice of Intention to Sell to be published in a newspaper of general circulation within the District and in the Bond Buyer, a national municipal securities newspaper, to satisfy applicable legal requirements. The Notice Inviting Proposals for Purchase of Refunding Bonds sets forth certain conditions of closing the transaction, including certain of the documentation to be provided at the closing by various parties.

(c) Form of Preliminary Official Statement. The Preliminary Official Statement (the "POS") is the offering document describing the Refunding Bonds which may be distributed to prospective purchasers of the Refunding Bonds. The POS discloses information with respect to, among other things, (i) the proposed uses of proceeds of the Refunding Bonds, (ii) the terms of the Refunding Bonds (interest rate, redemption terms, etc.), (iii) the bond insurance policy for the Refunding Bonds, if any, (iv) the security for repayment of the Refunding Bonds (the *ad valorem* property tax levy), (v) information with respect to the District's tax base (upon which such *ad valorem* property taxes may be levied), (vi) District financial and operating data, (vii) continuing disclosure with respect to the Refunding Bonds and the District, and (viii) absence of material litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Refunding Bonds. Following the pricing of the Refunding Bonds, a final Official Statement for the Refunding Bonds will be prepared, substantially in the form of the POS.

(d) Form of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate can be found in APPENDIX C to the POS. Effective July 3, 1995, all underwriters of municipal bonds are obligated to procure from any public agency issuing debt a covenant that such public agency will annually file "material financial information and operating data" with respect to such public agency through the web-based Electronic Municipal Market Access ("EMMA") system maintained by the Municipal Securities Rulemaking Board (a federal agency that regulates "broker-dealers," including investment bank firms that underwrite municipal obligations). This requirement is expected to be satisfied by the filing of the District's audited financial statements and other operating information about the District, in the same manner the District has filed in connection with prior bond issuances.

(e) Form of Escrow Agreement. Pursuant to the Escrow Agreement, proceeds from the sale of the Refunding Bonds in an amount sufficient to redeem the Refunded Bonds will be deposited into one or more escrow funds (the "Escrow Fund") held by U.S. Bank National Association, as escrow agent (the "Escrow Agent"). The monies in the Escrow Fund will be used by the Escrow Agent to pay the interest on the Refunded Bonds due on and prior to their first available redemption date (February 1, 2022), and the redemption price of the Refunded Bonds on such date. As a result of the deposit and application of funds so provided in the Escrow Agreement, the Refunded Bonds will be defeased and the obligation of Santa Barbara County to levy *ad valorem* property taxes for payment of the Refunded Bonds will cease.

## RECOMMENDATION

Staff recommends approval of **Resolution #18** A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF ORCUTT UNION SCHOOL DISTRICT (SANTA BARBARA COUNTY, CALIFORNIA) 2020 GENERAL OBLIGATION REFUNDING BONDS.

## FISCAL IMPACT

There is no fiscal impact to the General Fund resulting from the issuance of the Refunding Bonds.

## **RESOLUTION NO. 18**

### **A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF ORCUTT UNION SCHOOL DISTRICT (SANTA BARBARA COUNTY, CALIFORNIA) 2020 GENERAL OBLIGATION REFUNDING BONDS**

**WHEREAS**, a duly called election (the “Election”) was held in the Orcutt Union School District (the “District”), Santa Barbara County (the “County”), State of California, on June 8, 1999 and thereafter canvassed pursuant to law;

**WHEREAS**, at the Election there was submitted to and approved by the requisite two-thirds vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$15,000,000, payable from the levy of an *ad valorem* property tax against the then-taxable property in the District (the “Authorization”);

**WHEREAS**, pursuant to reorganization proceedings conducted by the Santa Barbara County Office of Education (the “County Office of Education”), effective as of July 1, 2008, the District and the Casmalia School District merged, and the territory of the former Casmalia School District (the “Casmalia Territory”) was transferred into the territory of the District;

**WHEREAS**, pursuant to reorganization proceedings conducted by the County Office of Education, effective as of July 1, 2011, the District and the Los Alamos School District merged, and the territory of the former Los Alamos District (the “Los Alamos Territory”) was transferred into the territory of the District;

**WHEREAS**, pursuant to the Authorization, the District previously caused the issuance of \$5,000,000 of its General Obligation Bonds, 1999 Election Series C (the “1999 Series C Bonds”);

**WHEREAS**, pursuant to the Act (as defined herein), the District previously issued \$4,150,000 of Orcutt Union School District (Santa Barbara County, California) 2012 General Obligation Refunding Bonds, Series A (the “Prior Bonds”) to advance refund a portion of the then-outstanding 1999 Series C Bonds;

**WHEREAS**, the Prior Bonds are payable solely from *ad valorem* property taxes levied and collected within the former territory of the District, prior to the annexation of the Casmalia Territory and the Los Alamos Territory (the “Former District Territory”);

**WHEREAS**, this Board of Trustees (the “Board”) desires to authorize the issuance of general obligation refunding bonds (the “Refunding Bonds”) pursuant to the Act, in one or more Series of Taxable Bonds or Tax-Exempt Bonds, and further as Current Interest Bonds (as such terms are defined herein) to refund all or a portion of the outstanding Prior Bonds (so refunded, the “Refunded Bonds”);

**WHEREAS**, this Board desires to appoint certain professionals to provide services related to the issuance of the Refunding Bonds;

**WHEREAS**, pursuant to Government Code Section 5852.1, the Board District has obtained from the Municipal Advisor (as defined herein) and disclosed herein, in a meeting open to the public, prior to authorization of the execution and delivery of the Refunding Bonds, good faith estimates of (a) the true interest cost of the Refunding Bonds, (b) the sum of all fees and charges paid to third parties with respect



to the Refunding Bonds, (c) the amount of proceeds of the Refunding Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, and (d) the sum total of all debt service payments to be evidenced by the Refunding Bonds calculated to the final payment date evidenced by the Refunding Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Refunding Bonds;

**WHEREAS**, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation refunding bonds of the District, and whereas the indebtedness of the District, including this proposed issue of Refunding Bonds, is within all limits prescribed by law;

**NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED BY THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT, SANTA BARBARA COUNTY, CALIFORNIA, AS FOLLOWS:**

**SECTION 1. Authorization for Issuance of the Refunding Bonds.** To refund all or a portion of the currently outstanding principal amount of the Prior Bonds and to pay all necessary legal, financial, and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Refunding Bonds and orders such Refunding Bonds sold at a competitive sale, in one or more Series of Taxable Bonds or Tax-Exempt Bonds, and further as Current Interest Bonds, with appropriate Series designations if more than one Series of Refunding Bonds is issued, such that the Refunding Bonds shall be dated as of a date to be determined by an Authorized Officer (defined below), shall bear interest at a rate not-to-exceed the maximum rate allowed by law, shall be payable upon such terms and provisions as shall be set forth in the Refunding Bonds, shall mature on the dates and in the amounts set forth in the Official Statement (defined herein), and shall be in an aggregate principal amount not-to-exceed \$2,750,000. Additional costs authorized to be paid from the proceeds of the Refunding Bonds are all of the authorized costs of issuance set forth in Government Code Sections 53550(e) and (f).

**SECTION 2. Paying Agent.** This Board hereby appoints the Paying Agent as defined herein, to serve as the paying agent, bond registrar, transfer agent and authentication agent for the Refunding Bonds on behalf of the District. This Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Refunding Bonds may be paid in each year from *ad valorem* property taxes levied and collected in the Former District Territory for the payment thereof, insofar as permitted by law, including specifically by Education Code Section 15232.

**SECTION 3. Approval of the Notice Inviting Proposals for Purchase of Refunding Bonds.** The competitive sale of the Refunding Bonds shall be undertaken pursuant to the Notice Inviting Proposals for Purchase of Refunding Bonds and the Notice of Intention To Sell, set forth in Exhibits B and C hereto, respectively. The Superintendent of the District (the "Superintendent") or the Assistant Superintendent of Business Services (the "Assistant Superintendent of Business Services," and together with the Superintendent, the "Authorized Officers"), or any interim officer holding such position, each alone, is hereby authorized to execute the Notice of Intention to Sell attached hereto as Exhibit C (the "Notice of Intention"), to cause the Notice of Intention to be published in a newspaper of general circulation circulated within the boundaries of the District once at least ten (10) days prior to the date set to receive bids, and to cause the Notice of Intention to be published in The Bond Buyer once at least fifteen (15) days prior to the date set to receive bids.

The terms and conditions of the offering and the sale of the Refunding Bonds shall be as specified in the Notice Inviting Proposals for Purchase of Refunding Bonds. The Board shall award the sale of the Refunding Bonds by acceptance of the bid with the lowest true interest cost (the "TIC") with respect to the

Refunding Bonds, so long as the principal amount of the Refunding Bonds does not exceed \$2,750,000 and the TIC does not exceed 8.0% per annum.

Piper Sandler & Co., the municipal advisor to the District (the “Municipal Advisor”), is hereby authorized and directed to cause to be furnished to prospective bidders a reasonable number of copies of the Notice Inviting Proposals for Purchase of Refunding Bonds and a reasonable number of copies of the Official Statement.

The Board hereby approves the competitive sale of the Refunding Bonds and determines that a competitive sale contributes to the District’s goal of achieving the lowest overall cost of funds.

The Municipal Advisor and/or Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), are hereby authorized and directed to open the bids at the time and place specified in the Notice Inviting Proposals for Purchase of Refunding Bonds and to present the same to the Authorized Officers. The Municipal Advisor and/or Bond Counsel are hereby authorized and directed to receive and record the receipt of all bids made pursuant to the Notice Inviting Proposals for Purchase of Refunding Bonds; to cause said bids to be examined for compliance with the Notice Inviting Proposals for Purchase of Refunding Bonds; and to cause computations to be made as to which bidder has bid the lowest TIC with respect to the Refunding Bonds, as provided in the Notice Inviting Proposals for Purchase of Refunding Bonds, along with a report as to the foregoing and any other matters deemed pertinent to the award of the Refunding Bonds and the proceedings for the issuance thereof.

**SECTION 4. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Official Statement):

(a) “**Act**” means Article 9 of (beginning with Section 53550) and Article 11 (beginning with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code.

(b) “**Authorizing Documents**” means the authorizing resolution(s), indenture, agreement or other legal document(s) pursuant to which the Prior Bonds were authorized and issued and pursuant to which the terms thereof were provided for.

(c) “**Beneficial Owner**” means, when used with reference to book-entry Refunding Bonds registered pursuant to Section 5 hereof, the person who is considered the beneficial owner of such Refunding Bonds pursuant to the arrangements for book-entry determination of ownership applicable to the Depository.

(d) “**Bond Insurer**” means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal of and interest on the Refunding Bonds.

(e) “**Bond Payment Date**” means (unless otherwise provided for in the Official Statement), February 1 and August 1 of each year, commencing August 1, 2020 with respect to the interest on the Refunding Bonds and February 1 of each year, commencing February 1, 2021 with respect to the payments of Principal of the Refunding Bonds.

(f) “**Bond Register**” means the registration books which the Paying Agent shall keep or cause to be kept on which the registered ownership, transfer and exchange of Refunding Bonds shall be recorded.

(g) “**Code**” means the Internal Revenue Code of 1986, as the same may be amended from time to time. Reference to any particular section of the Code shall be deemed to be a reference to any successor to any such section.

(h) **“Continuing Disclosure Certificate”** means that certain contractual undertaking of the District in connection with the Refunding Bonds pursuant to paragraph (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, and relating to the Refunding Bonds, dated as of the date of issuance thereof, as amended from time to time in accordance with the provisions thereof.

(i) **“Current Interest Bonds”** means Refunding Bonds, the interest on which is payable semiannually on each Bond Payment Date specified for each such Refunding Bond as designated and maturing in the years and in the amounts set forth in the Official Statement.

(j) **“Dated Date”** means the date of initial issuance and delivery of the Refunding Bonds, or such other date as shall appear in the Official Statement.

(k) **“Depository”** means the entity acting as securities depository for the Refunding Bonds pursuant to Section 5(c) hereof.

(l) **“DTC”** means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, in its capacity as the initial Depository for the Refunding Bonds.

(m) **“Escrow Agent”** means U.S. Bank National Association or such other bank as shall be named in the Escrow Agreement, or any other successor thereto, in its capacity as escrow agent for the Refunded Bonds.

(n) **“Escrow Agreement”** means the agreement or agreements relating to the deposit and investment of funds to refund the Refunded Bonds, by and between the District and the Escrow Agent.

(o) **“Federal Securities”** means securities as permitted, in accordance with the Authorizing Documents, to be deposited with the Escrow Agent for the purpose of defeasing the Refunded Bonds.

(p) **“Holder”** or **“Owner”** means the registered owner of a Bond as set forth on the Bond Register maintained by the Paying Agent pursuant to Section 5 hereof.

(q) **“Information Services”** means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

(r) **“Moody’s”** means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the District.

(s) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 5(c) hereof.

(t) **“Official Statement”** means the Official Statement for the Refunding Bonds, as described in Section 16 hereof.

(u) **“Outstanding”** means, when used with reference to the Refunding Bonds, as of any date, Refunding Bonds theretofore issued or thereupon being issued under this Resolution except:

- (i) Refunding Bonds canceled at or prior to such date;
- (ii) Refunding Bonds in lieu of or in substitution for which other Refunding Bonds shall have been delivered pursuant to Section 7 hereof; or
- (iii) Refunding Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Refunding Bonds), in accordance with Section 18 of this Resolution.
- (v) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.
- (w) **“Paying Agent”** means, initially, U.S. Bank National Association, and afterwards any successor thereto, acting as the authenticating agent, bond registrar, transfer agent and paying agent for the Refunding Bonds.
- (x) **“Principal”** or **“Principal Amount”** means, with respect to any Refunding Bond, the principal or principal amount thereof.
- (y) **“Record Date”** means the close of business on the 15th day of the month preceding each Bond Payment Date.
- (z) **“S&P”** means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the District.
- (aa) **“Series”** means any Refunding Bonds executed, authenticated and delivered pursuant to the provisions hereof identified as a separate series of Refunding Bonds.
- (bb) **“Taxable Bonds”** means any Refunding Bonds not issued as Tax-Exempt Bonds.
- (cc) **“Tax-Exempt Bonds”** means any Refunding Bonds the interest on which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Refunding Bonds.
- (dd) **“Term Bonds”** means those Refunding Bonds for which mandatory sinking fund redemption dates have been established in the Official Statement.
- (ee) **“Transfer Amount”** means, with respect to any Outstanding Refunding Bond, the Principal Amount.
- (ff) **“Treasurer”** means the Treasurer-Tax Collector of the County or other comparable officer of the County.

#### **SECTION 5. Terms of the Refunding Bonds.**

- (a) Denomination, Interest, Dated Date. The Refunding Bonds shall be issued as fully registered book-entry Current Interest Bonds, registered as to both Principal and interest, in denominations of



\$5,000 Principal Amount or any integral multiple thereof. The Refunding Bonds will initially be registered in the name of "Cede & Co.," the Nominee of DTC.

Each Refunding Bond shall be dated as of the Dated Date, and shall bear interest at the rates set forth in the Official Statement, from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16<sup>th</sup> day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from its Dated Date. Interest on the Refunding Bonds shall be payable on the respective Bond Payment Dates and shall be computed on the basis of a 360-day year of twelve, 30-day months.

No Refunding Bond shall mature later than the final maturity date of the Refunded Bonds to be refunded from proceeds of such Refunding Bond.

(b) Redemption.

(i) Optional Redemption. The Refunding Bonds shall be subject to optional redemption prior to their stated maturity dates as provided in the Official Statement.

(ii) Mandatory Redemption. Any Refunding Bonds issued as Term Bonds shall be subject to mandatory sinking fund redemption as provided in the Official Statement.

(iii) Selection of Refunding Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Refunding Bonds and less than all Outstanding Refunding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Refunding Bonds for redemption as so directed by the District, and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Refunding Bonds for redemption as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that with respect to redemption by lot, the portion of any Refunding Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof.

The Official Statement may provide that (i) in the event that any portion of a Term Bond is optionally redeemed prior to maturity pursuant to Section 5(b)(i) hereof, the remaining mandatory sinking fund payments with respect to such Refunding Bond shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Refunding Bond optionally redeemed, and (ii) within a maturity, Refunding Bonds shall be selected for redemption on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures, provided further that, such pro-rata redemption is made in accordance with the operational arrangements of DTC then in effect.

(iv) Redemption Notice. When optional redemption is authorized or required pursuant to Section 5(b)(i) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Refunding Bonds (or portions thereof). Such Redemption Notice shall specify: the Refunding Bonds or designated portions thereof (in the case of redemption of the Refunding Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Paying Agent, the redemption price, the CUSIP numbers (if any) assigned to the Refunding Bonds to be redeemed, the Refunding Bond numbers of the Refunding Bonds to be redeemed in whole or in part and, in the case of any Refunding Bond to be redeemed in part only, the portion of the Principal Amount of such Refunding Bond to be redeemed, and the original issue

date, interest rate and stated maturity date of each Refunding Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Refunding Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue.

The Paying Agent shall take the following actions with respect to each such Redemption Notice:

(a) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Refunding Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository.

(c) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

(d) Such Redemption Notice shall be provided to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

A certificate of the Paying Agent or the District to the effect that a Redemption Notice has been given as provided herein shall be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Refunding Bonds. Each transfer of funds made by the Paying Agent for the purpose of redeeming Refunding Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Refunding Bonds being redeemed with the proceeds of such check or other transfer. Such Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon.

With respect to any Redemption Notice of Refunding Bonds (or portions thereof) pursuant to this section, unless upon the giving of such notice such Refunding Bonds (or portions thereof) shall be deemed to have been defeased pursuant to Section 18 hereof, such notice shall state that such redemption shall be conditional upon the receipt by an independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the Principal of, premium, if any, and interest on such Refunding Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received, said notice shall be of no force and effect, no portion of the Refunding Bonds shall be subject to redemption on such date and such Refunding Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption shall not be made and the Paying Agent shall within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent shall distribute a notice of the rescission of such Redemption Notice in the same manner as such Redemption Notice was originally provided.

(iv) Partial Redemption of Refunding Bonds. Upon the surrender of any Refunding Bond redeemed in part only, the Paying Agent shall authenticate and deliver to the Owner thereof a new Refunding Bond or Refunding Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Refunding Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(v) Effect of Redemption Notice. Notice having been given as aforesaid, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as provided in Section 18 hereof, the Refunding Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Refunding Bonds to be redeemed as provided in Section 5(b) hereof, together with interest accrued to such redemption date, shall be held in trust as provided in Section 18 hereof so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as aforesaid, then from and after such redemption date, interest on the Refunding Bonds to be redeemed shall cease to accrue and become payable. All money held for the redemption of Refunding Bonds shall be held in trust for the account of the Owners of the Refunding Bonds to be so redeemed.

(vii) Refunding Bonds No Longer Outstanding. When any Refunding Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Refunding Bonds or portions thereof, and accrued interest thereon to the date fixed for redemption, all as provided in this Resolution, then such Refunding Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

(i) All Refunding Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Refunding Bond purchased by the District shall be cancelled by the Paying Agent.

(c) Book-Entry System.

(i) Election of Book-Entry System. The Refunding Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Refunding Bonds in authorized denominations. The ownership of each such Refunding Bond shall be registered in the Bond Register in the name of the Nominee, as nominee of the Depository and ownership of the Refunding Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 5(c)(i)(4).

With respect to book-entry Refunding Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Refunding Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Refunding Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book-entry Refunding Bonds, including any Redemption Notice; (iii) the

selection by the Depository and its Participants of the beneficial interests in book-entry Refunding Bonds to be prepaid in the event the District redeems the Refunding Bonds in part; or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Principal of, premium, if any, or interest on the book-entry Refunding Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Refunding Bond is registered in the Bond Register as the absolute Owner of such book-entry Refunding Bond for the purpose of payment of Principal of, premium and interest on and to such Refunding Bond, for the purpose of giving notices of redemption and other matters with respect to such Refunding Bond, for the purpose of registering transfers with respect to such Refunding Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Principal of, premium, if any, and interest on the Refunding Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Principal of, premium, if any, and interest on book-entry Refunding Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Principal of, premium, if any, and interest on book-entry Refunding Bonds. Upon delivery by the Depository to the Owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word "Nominee" in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Refunding Bonds for the Depository's book-entry system, the District shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District any obligation whatsoever with respect to persons having interests in such book-entry Refunding Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the District shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Refunding Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for the Refunding Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the Beneficial Owners of the Refunding Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such Refunding Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Refunding Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Refunding Bonds shall designate, in accordance with the provisions of this Section 5(c).

3. Payments and Notices to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all Outstanding Refunding Bonds



are held in book-entry form and registered in the name of the Nominee, all payments by the District or the Paying Agent with respect to Principal of, premium, if any, or interest on the Refunding Bonds and all notices with respect to such Refunding Bonds, including notices of redemption, shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise required or instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

4. Transfer of Refunding Bonds to Substitute Depository.

(A) The Refunding Bonds shall be initially issued as described in the Official Statement. Registered ownership of such Refunding Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its Nominee, or of any substitute depository designated pursuant to Section 5(c)(ii)(4)(A)(2) (“Substitute Depository”); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (1a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 5(c)(i)(4)(A)(1) or (2), upon receipt of all Outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Refunding Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Refunding Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 5(c)(i)(4)(A)(3), upon receipt of all Outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Refunding Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Refunding Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Refunding Bonds evidencing a portion of the Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Refunding Bonds indicating the date and amounts of such reduction in

Principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Refunding Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Refunding Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such Beneficial Owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Refunding Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Refunding Bonds.

**SECTION 6. Execution of the Refunding Bonds.** The Refunding Bonds shall be signed by the President of the Board, or other member of the Board authorized to sign on behalf of the President, by his or her manual or facsimile signature and countersigned by the manual or facsimile signature of the Secretary to or Clerk of the Board, or the designees thereof, all in their official capacities. No Refunding Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Refunding Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Refunding Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

**SECTION 7. Paying Agent; Transfer and Exchange.** So long as any of the Refunding Bonds remain Outstanding, the District will cause the Paying Agent to maintain and keep at its designated office all books and records necessary for the registration, exchange and transfer of the Refunding Bonds as provided in this Section. Subject to the provisions of Section 8 below, the person in whose name a Refunding Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Refunding Bond for all purposes of this Resolution. Payment of or on account of the Principal of, premium, if any, and interest on any Refunding Bond shall be made only to or upon the order of such Owner; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Refunding Bonds, including interest, to the extent of the amount or amounts so paid.

Any Refunding Bond may be exchanged for a Refunding Bond of like Series, tenor, maturity and Transfer Amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Refunding Bond may be transferred on the Bond Register only upon presentation and surrender of the Refunding Bond at the designated office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Refunding Bond or Refunding Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Refunding Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

If any Refunding Bond shall become mutilated, the District, at the expense of the Owner of said Refunding Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new

Refunding Bond of like Series, tenor, maturity and Transfer Amount in exchange and substitution for the Refunding Bond so mutilated, but only upon surrender to the Paying Agent of the Refunding Bond so mutilated. If any Refunding Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the Owner, the District, at the expense of the Refunding Bond Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like Series, tenor, maturity and Transfer Amount in lieu of and in substitution for the Refunding Bond so lost, destroyed or stolen (or if any such Refunding Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Refunding Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Refunding Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Refunding Bonds only after the new Refunding Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Refunding Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Refunding Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Refunding Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Refunding Bonds surrendered upon that exchange or transfer.

Any Refunding Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Refunding Bonds that the District may have acquired in any manner whatsoever, and those Refunding Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Refunding Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Refunding Bonds shall be retained for three years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Refunding Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Refunding Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) transfer any Refunding Bonds which have been selected or called for redemption in whole or in part.

**SECTION 8. Payment.** Payment of interest on any Refunding Bond on any Bond Payment Date shall be made to the person appearing on the Bond Register of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer to such Owner on the Bond Payment Date at the bank and account number as it appears on such Bond Register as of the Record Date. The Principal of and redemption premium, if any, payable on the Refunding Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The interest on, Principal of and premiums, if any, on the Refunding Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Refunding Bonds when duly presented for payment at maturity, and to cancel all Refunding Bonds upon payment thereof. Except as otherwise required by the Act, the Refunding Bonds are obligations of the District, payable solely from the levy of *ad valorem* property taxes upon all property subject to taxation by the District within the Former District Territory, which taxes are unlimited as to rate or amount. The Refunding



Bonds do not constitute an obligation of the County and no part of any fund of the County is pledged or obligated to the payment of the Refunding Bonds.

**SECTION 9. Form of the Refunding Bonds.** The Refunding Bonds shall be in substantially the form as set forth in Exhibit A hereto, allowing those officials executing the Refunding Bonds to make the insertions and deletions necessary to conform the Refunding Bonds to this Resolution and the Official Statement and to correct or cure any defect, inconsistency, ambiguity or omission therein. Pending the preparation of definitive Refunding Bonds, the Refunding Bonds may be executed and delivered in temporary form exchangeable for definitive Refunding Bonds when ready for delivery. If the Paying Agent delivers temporary Refunding Bonds, it shall execute and deliver definitive Refunding Bonds in an equal aggregate Principal amount of authorized denominations, when available, and thereupon the temporary Refunding Bonds shall be surrendered to the Paying Agent. Until so exchanged, the temporary Refunding Bonds shall be entitled to the same benefits hereunder as definitive Refunding Bonds

**SECTION 10. Delivery of Refunding Bonds.** The proper officials of the District shall cause the Refunding Bonds to be prepared and, following their sale, shall have the Refunding Bonds signed and delivered, together with a final transcript of proceedings with reference to the issuance of the Refunding Bonds, to the original purchaser upon payment of the purchase price therefor.

**SECTION 11. Deposit of Proceeds of Refunding Bonds; Escrow Agreement.** An amount of proceeds from the sale of the Refunding Bonds necessary to purchase certain Federal Securities, or to otherwise refund the Refunded Bonds, shall be transferred to the Escrow Agent for deposit in the escrow fund or funds established under the Escrow Agreement (the "Escrow Fund"), which amount, if uninvested, shall be sufficient, or if invested, together with an amount or amounts of cash held uninvested therein, shall be sufficient to refund the Refunded Bonds all as set forth in a certificate of an Authorized Officer. Premium or proceeds received from the sale of the Refunding Bonds desired to pay all or a portion of the costs of issuing the Refunding Bonds may be deposited in the fund of the District held by a fiscal agent selected thereby and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying costs of issuance of the Refunding Bonds.

Any accrued interest received by the District from the sale of the Refunding Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Orcutt Union School District, 2020 General Obligation Refunding Bonds Debt Service Fund" (the "Debt Service Fund") for the Refunding Bonds and used only for payments of principal of and interest on the Refunding Bonds. At the election of the District (i) to the extent the Refunding Bonds are sold in the more than one Series, there shall be created a separate Debt Service Fund for each such Series of Refunding Bonds, and all references herein to a Debt Service Fund shall be deemed to include each Debt Service Fund created for a Series of Refunding Bonds, and (ii) the Debt Service Fund may be established as a subaccount of, or otherwise combined with, any fund established by the County for the purpose of holding proceeds of *ad valorem* property tax levies made to pay any bonds issued pursuant to the Authorization. A portion of the premium received by the District from the sale of the Refunding Bonds may be transferred to the Debt Service Fund or applied to the payment of cost of issuance of the Refunding Bonds, or some combination of deposits. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth herein for which the Refunding Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of the principal of and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal of and interest on the

Refunding Bonds. DTC will thereupon make payments of principal of and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of such principal and interest to the Beneficial Owners of the Refunding Bonds. Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District.

Except as required below to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal of and interest on the Refunding Bonds when due.

## **SECTION 12. Rebate Fund.**

(a) General. If necessary, there shall be created and established a special fund designated the "Orcutt Union School District 2020 General Obligation Refunding Bonds Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code, as the same may be amended from time to time, and the Treasury Regulations promulgated thereunder (the "Rebate Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and Section 14 of this Resolution and by that certain tax certificate concerning certain matters pertaining to the use and investment of proceeds of the Refunding Bonds, executed and delivered to the District on the date of issuance of the Refunding Bonds, including any and all exhibits attached thereto (the "Tax Certificate").

### **(b) Deposits.**

(i) Within forty-five (45) days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate) (1) the District shall calculate or cause to be calculated with respect to the Refunding Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Rebate Regulations, using as the "computation date" for this purpose the end of such five Bond Years, and (2) the District shall deposit to the Rebate Fund from deposits from the District or from amounts available therefor on deposit in the other funds established hereunder, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the "rebate amount" so calculated.

(ii) The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section.

(iii) The District shall not be required to calculate the "rebate amount" and the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Refunding Bonds (including amounts treated as the proceeds of the Refunding Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148 (f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations or the small issuer exception of Section 148(f)(4)(D) of the Code, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, or (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for

the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Withdrawal Following Payment of Refunding Bonds. Any funds remaining in the Rebate Fund after redemption of all the Refunding Bonds and any amounts described in paragraph (ii) of subsection (d) of this Section, including accrued interest, shall be transferred to the General Fund of the District.

(d) Withdrawal for Payment of Rebate. Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(i) not later than sixty (60) days after the end of (a) the fifth (5th) Bond Year, and (b) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Rebate Regulations; and

(ii) not later than sixty (60) days after the payment of all Refunding Bonds, an amount equal to one hundred percent (100%) of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Rebate Regulations.

(e) Rebate Payments. Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by or on behalf of the District.

(f) Deficiencies in the Rebate Fund. In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(g) Withdrawals of Excess Amount. In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, upon written instructions from the District, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) Record Retention. The District shall retain records of all determinations made hereunder until three years after the retirement of the Refunding Bonds.

(i) Survival of Defeasance. Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Refunding Bonds.

**SECTION 13. Security for the Refunding Bonds.** Except as provided in the Act, there shall be levied on all the taxable property in the Former District Territory, in addition to all other taxes, a continuing direct *ad valorem* property tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Refunding Bonds when due, which moneys when collected will be deposited in the Debt Service Fund of the District and used for the payment of the principal of and interest on the Refunding Bonds when and as the same fall due, and for no other purpose. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* property



tax in accordance with this Section 13 and Section 53559 of the Act. The Board hereby finds and determines that such *ad valorem* taxes shall be levied specifically to pay the Refunding Bonds being issued to finance and refinance specific projects authorized by the voters of the District at the Election.

The Refunding Bonds shall, pursuant to Government Code Section 53515, be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment of the Refunding Bonds.

Pursuant to Government Code Sections 5450 and 5451, the District hereby pledges all revenues received from the levy and collection of *ad valorem* property taxes for the payment of the Refunding Bonds and all amounts on deposit in the Debt Service Fund to the payment of the Refunding Bonds. Such pledge shall constitute a lien on and security interest in such taxes and amounts in the Debt Service Fund. This pledge shall constitute an agreement between the District and the Owners of the Refunding Bonds to provide security for the payment of the Refunding Bonds in addition to any statutory lien that may exist.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay such principal and interest. DTC will thereupon make payments of principal of and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of such principal and interest to the Beneficial Owners of the Refunding Bonds. Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District.

**SECTION 14. Arbitrage Covenant.** The District covenants that it will restrict the use of the proceeds of the Refunding Bonds in such manner and to such extent, if any, as may be necessary, so that the Refunding Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed thereunder or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

**SECTION 15. Legislative Determinations.** The Board hereby determines that all acts and conditions necessary to be performed by the District or the Board or to have been met precedent to and in the issuing of the Refunding Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Refunding Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Refunding Bonds. Furthermore, the Board hereby finds and determines pursuant to Section 53552 of the Act that the prudent management of the fiscal affairs of the District requires that it issue the Refunding Bonds without submitting the question of the issuance of the Refunding Bonds to a vote of the qualified electors of the District.

**SECTION 16. Official Statement.** The Preliminary Official Statement relating to the Refunding Bonds, substantially in the form on file with the Clerk of or Secretary to the Board, is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Municipal Advisor, to be used in connection with the offering and sale of the Refunding Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the purchaser of the Refunding Bonds a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve.

Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

**SECTION 17. Insurance.** In the event the District purchases bond insurance for the Refunding Bonds, and to the extent that the Bond Insurer makes payment of the Principal of or interest on the Refunding Bonds, it shall become the Owner of such Refunding Bonds with the right to payment of such Principal or interest, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest, the Paying Agent shall note the Bond Insurer's rights as subrogee on the Bond Register for the Refunding Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Refunding Bonds, and (ii) in the case of subrogation as to claims for past due Principal, the Paying Agent shall note the Bond Insurer as subrogee on the Bond Register for the Refunding Bonds maintained by the Paying Agent upon surrender of the Refunding Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**SECTION 18. Defeasance.** All or any portion of the Outstanding maturities of the Refunding Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay and discharge all Refunding Bonds Outstanding and designated for defeasance (including all Principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with cash and amounts transferred from the Debt Service Fund, if any, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Refunding Bonds Outstanding and designated for defeasance (including all Principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Refunding Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated Outstanding Refunding Bonds shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of such designated Refunding Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, "Government Obligations" shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest, by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to

proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that all such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either Moody's or S&P.

**SECTION 19. Other Actions.** (a) Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Refunding Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby finds and determines that both the total net interest cost to maturity on the Refunding Bonds plus the Principal Amount of the Refunding Bonds will be less than the total net interest cost to maturity of the Refunded Bonds plus the Principal Amount of the Refunded Bonds.

(c) The Board anticipates that the Refunded Bonds will be redeemed on the respective first optional redemption dates therefor following the issuance of the Refunding Bonds.

(d) The Board hereby appoints U.S. Bank National Association as Escrow Agent for the Refunded Bonds and approves the form of the Escrow Agreement by and between the District and the Escrow Agent substantially in the form on file with the Clerk of or Secretary to the Board. The Authorized Officers, each alone, are hereby authorized to execute the Escrow Agreement with such changes as they shall approve, such approval to be conclusively evidenced by such individual's execution and delivery thereof.

(e) The Board hereby appoints Piper Sandler & Co. as the Municipal Advisor, and Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel and Disclosure Counsel, each with respect to the issuance of the Refunding Bonds.

(f) Based on a good faith estimate received by the District from the Municipal Advisor, the Board hereby finds that (i) the True Interest Cost of the Refunding Bonds (as defined in Government Code Section 5852.1(a)(1)(A)) is expected to be approximately 2.03%, (ii) the total Finance Charge of the Refunding Bonds (as defined in Government Code Section 5852.1(a)(1)(B)) is expected to be \$85,387, (iii) the total proceeds expected to be received by the District from the sale of the Refunding Bonds, less the Finance Charge of the Refunding Bonds and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, is \$2,350,963, and (iv) the District expects that the Total Payment Amount (as defined in Government Code Section 5852.1(a)(1)(D)), calculated to the final maturity of the Refunding Bonds, will be \$2,770,640. The information presented in this Section 19(f) is included in satisfaction of Government Code Section 5852.1, and shall not abrogate or otherwise limit any other provision of this Resolution.

(g) The provisions of this Resolution as they relate to the terms of the Refunding Bonds may be amended by the Official Statement; if the Official Statement so provides, the Refunding Bonds may be issued as crossover refunding bonds pursuant to Government Code Section 53558(b).

**SECTION 20. Resolution to Treasurer.** The Secretary to or Clerk of this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer, or similar officer of the County, immediately following its adoption.

**SECTION 21. Request to County to Levy Tax.** The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of *ad valorem* property taxes in the Former District Territory in each year sufficient to pay all principal of and interest coming due on the Refunding Bonds in such year, and to pay from such taxes all amounts due on the Refunding Bonds. The District hereby requests the Board of Supervisors of the County to annually levy such an *ad valorem* property tax upon all taxable property in the Former District Territory sufficient to pay all such principal and interest coming due on the Refunding Bonds in such year, and to pay from such taxes all amounts due on the Refunding Bonds.

**SECTION 22. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated as of the Dated Date of the Refunding Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Board hereby approves the form of the Continuing Disclosure Certificate appended to the form of Preliminary Official Statement on file with the Clerk of or Secretary to the Board as of the date hereof, and the Authorized Officers, each alone, are hereby authorized to execute and deliver such Continuing Disclosure Certificate with such changes therein and modifications thereto as shall be requested by the Underwriter and as such Authorized Officer executing the same shall approve. Any Bond Holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Refunding Bonds.

**SECTION 23. Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

**SECTION 24. Effective Date.** This Resolution shall take effect immediately upon its passage.

**SECTION 25. Further Actions Authorized.** It is hereby covenanted that the District, and its appropriate officials, have duly taken all actions necessary to be taken by them, and will take any additional actions necessary to be taken by them, for carrying out the provisions of this Resolution.



PASSED, ADOPTED AND APPROVED this 8th day of April, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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President of the Board of Trustees  
Orcutt Union School District

Attest:

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Secretary to the Board of Trustees  
Orcutt Union School District

## SECRETARY'S CERTIFICATE

I, Dr. Deborah Blow, Superintendent and Secretary to the Board of Trustees (the "Board") of the Orcutt Union School District (the "District"), Santa Barbara County, California, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board duly and regularly and legally held at the regular meeting place thereof on April 8, 2020 of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said 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 said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: April \_\_, 2020

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Superintendent and Secretary to the Board of  
Trustees  
Orcutt Union School District

**EXHIBIT A**

**FORM OF REFUNDING BOND**

**UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE PAYING AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.**

**REGISTERED**  
NO.

**REGISTERED**  
\$ \_\_\_\_\_

**ORCUTT UNION SCHOOL DISTRICT  
(SANTA BARBARA COUNTY, CALIFORNIA)  
2020 GENERAL OBLIGATION REFUNDING BONDS**

**INTEREST RATE:      MATURITY DATE:      DATED AS OF:      CUSIP**

REGISTERED OWNER:    CEDE & CO.

PRINCIPAL AMOUNT:

The Orcutt Union School District (the “District”) in Santa Barbara County, California (the “County”), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the “Bond Payment Dates”), commencing August 1, 2020. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2020, in which event it shall bear interest from the Dated Date. Interest shall be computed on the basis of a 360-day year of twelve, 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered, such owner being the Registered Owner, on the Bond Register maintained by the Paying Agent, initially U.S. Bank National Association. Principal is payable upon presentation and surrender of this bond at the designated office of the Paying Agent. Interest is payable by wire transfer by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown on the Bond Register maintained by the Paying Agent as of, and to the bank account number on file with the Paying Agent as of, at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the “Record Date”).

This bond is one of an authorization of bonds issued by the District pursuant to Government Code Section 53550 *et seq.* (the “Act”) for the purpose of refunding certain of the District’s outstanding bonded indebtedness, and paying all necessary legal, financial, and contingent costs in connection therewith. The Bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Trustees of the District adopted on April 8, 2020 (the “Bond Resolution”). This bond and the issue of which this bond is one are general obligation bonds of the District payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* property taxes on all property subject to such taxes in the former territory of the District prior to the annexation of the territory of the Casmalia and Los Alamos school districts (the “Former District Territory”), which taxes are unlimited as to rate or amount in accordance with Education Code Sections 15250 and 15252. Pursuant to Government Code Section 53515, the bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of such *ad valorem* property taxes.

Pursuant to Government Code Sections 5450 and 5451, the District has pledged all revenues received from the levy and collection of *ad valorem* property taxes for the payment of the bonds, and all amounts on deposit in the Debt Service Fund (as defined in the Bond Resolution), to the payment of the bonds. Such pledge shall constitute a lien on and security interest in such taxes and amounts in the Debt Service Fund, and shall constitute an agreement between the District and the Registered Owners of the Bonds to provide security for the payment of the bonds in addition to any statutory lien that may exist.

The bonds of this issue comprise \$\_\_\_\_\_ Principal Amount of current interest bonds, of which this bond is a part (each a “Refunding Bond”).

This bond is exchangeable and transferable for a bond of like Series, tenor, maturity and principal amount and in authorized denominations at the designated office of the Paying Agent by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute Owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Refunding Bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) transfer any Refunding Bond which has been selected or called for redemption in whole or in part.

The Refunding Bonds maturing on or before February 1, 20\_\_ are not subject to redemption prior to their respective maturity dates. The Refunding Bonds maturing on or after February 1, 20\_\_ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after February 1, 20\_\_, at a redemption price equal to the principal amount of the Refunding Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.



The Refunding Bonds maturing on February 1, 20\_\_ (the “20\_\_ Term Bonds”), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after February 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such 20\_\_ Term Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount
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<sup>(1)</sup> Maturity.

In the event that a portion of the 20\_\_ Term Bonds is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such 20\_\_ Term Bonds optionally redeemed.

If less than all of the Refunding Bonds of any one maturity shall be called for redemption, the particular Refunding Bonds or portions thereof of such maturity to be redeemed shall be selected by lot by the Paying Agent as directed by the District, and if not so directed, in such manner as the Paying Agent may determine; provided, however, that the portion of any Refunding Bond to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof. If less than all of the Refunding Bonds stated to mature on different dates shall be called for redemption, the particular Refunding Bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order of maturity as directed by the District or, if the Paying Agent is not so directed, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the Refunding Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Refunding Bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Refunding Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Refunding Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Refunding Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the Former District Territory in an amount sufficient to pay Principal of and interest on the Refunding Bonds when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

**IN WITNESS WHEREOF**, the Orcutt Union School District, Santa Barbara County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signatures of the [Secretary to/Clerk of] the Board of Trustees of the District, all as of the date stated above.

ORCUTT UNION SCHOOL DISTRICT

By: (Facsimile Signature)  
President of the Board of Trustees

COUNTERSIGNED:

(Facsimile Signature)  
[Secretary to/Clerk of] the Board of Trustees

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2020.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

\_\_\_\_\_  
Authorized Representative

## **ASSIGNMENT**

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Unless this bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

## **LEGAL OPINION**

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(Facsimile Signature)

[Secretary to/Clerk of] the Board of  
Trustees

EXHIBIT B

NOTICE INVITING PROPOSALS FOR PURCHASE OF REFUNDING BONDS

\$ \_\_\_\_\_ \*

**ORCUTT UNION SCHOOL DISTRICT  
(SANTA BARBARA COUNTY, CALIFORNIA)  
2020 GENERAL OBLIGATION REFUNDING BONDS  
(FEDERALLY TAXABLE)**

NOTICE IS HEREBY GIVEN that sealed unconditioned proposals will be received to and including the hour of [9:00 a.m.], Pacific Standard Time, on \_\_\_\_\_, 2020, at the offices of Piper Sandler & Co., 2321 Rosecrans Avenue, Suite 3200, El Segundo, California 90245 (the "Municipal Advisor"), in the manner described below, for the purchase of all, but not less than all, of \$ \_\_\_\_\_ \* principal amount of Orcutt Union School District (Santa Barbara County, California) 2020 General Obligation Refunding Bonds (Federally Taxable) (the "Refunding Bonds"). Proposals must be submitted electronically via i-Deal LLC's ("i-Deal") Parity Electronic Bid Submission System ("PARITY"), a division of Thomson Information Services, Inc., in the manner described below, for the purchase of all, but not less than all, of \$ \_\_\_\_\_ \* principal amount of the Refunding Bonds. In the event that the sale has not been awarded by the designated time, bids will be received at a subsequent time and date to be determined by the Orcutt Union School District (the "District") and publicized via the Bond Buyer or the Bond Buyer Wire or Thomson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)).

**I. Issue:**

The Refunding Bonds will be dated the date of delivery, will be in the denomination of \$5,000 principal amount each, or integral multiples thereof, and will bear interest from the date of delivery of the Refunding Bonds to the maturity of each of the Refunding Bonds at the rate such that the true interest cost (the "TIC") shall not exceed \_\_\_\_%, with interest payable semiannually on February 1 and August 1 of each year during the term of each of the Refunding Bonds, commencing August 1, 2020. The Refunding Bonds will mature on February 1 in each of the years set forth in the following schedule:

<b>MATURITY <u>DATE</u></b>	<b>PRINCIPAL <u>AMOUNT</u>*</b>	<b>MATURITY <u>DATE</u></b>	<b>PRINCIPAL <u>AMOUNT</u>*</b>
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\* Preliminary, subject to change.



## **II. Option to Elect Term Bonds:**

The purchaser may elect to combine any number of consecutive maturities of Refunding Bonds for which an identical interest rate has been specified to comprise term bonds by indicating such an election in their bid. The election to create term bonds in such manner will require the creation of a mandatory sinking fund so that the sinking fund redemption payments shall equal the corresponding serial bond maturity amounts.

## **III. Adjustment of Principal Amounts:**

The estimated principal amount of each maturity of Refunding Bonds set forth above reflect certain assumptions of the District and the Municipal Advisor, with respect to the likely interest rates of the winning bid or bids. Following the determination of the successful bidder or bidders, the Municipal Advisor, on behalf of the District, reserves the right to increase or decrease the principal amount of each maturity of the Refunding Bonds, in \$5,000 increments of principal amount, or to eliminate maturities in their entirety. Such adjustment shall be made within 26 hours of the bid opening and in the sole discretion of the District, upon recommendation of the Municipal Advisor. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and the successful bid or bids may not be withdrawn, and the successful bidder will not be permitted to change the interest rate(s) in its bid for the Refunding Bonds. The percentage compensation to be paid to the successful bidder will not change if the maturity schedule is adjusted.

## **IV. Interest Rates:**

All bids for the purchase of the Refunding Bonds must state the rate or rates of interest to be paid for each maturity of Refunding Bonds offered and bid price for such Refunding Bonds. All Refunding Bonds of the same maturity must bear the same rate of interest and no Refunding Bond may bear more than one rate. The maximum interest rate bid for each maturity may not exceed \_\_\_\_ percent (\_\_\_\_%), and the TIC shall not exceed \_\_\_\_ percent (\_\_\_\_%). Bidders may specify any number of different rates to be borne on the Refunding Bonds; provided that, all interest rates must be in multiples of 1/8 or 1/20 of one percent and a zero rate of interest cannot be specified. Interest will be computed on the basis of a 360-day year consisting of twelve, 30-day months.

## **V. Redemption:**

The Refunding Bonds maturing on or before February 1, 20\_\_ are not subject to redemption prior to their respective maturity dates. The Refunding Bonds maturing on or after February 1, 20\_\_ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after February 1, 20\_\_, at a redemption price equal to the principal amount of the Refunding Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

## **VI. Notice of Redemption:**

Notice of redemption of any Refunding Bond will be mailed to the Registered Owner of each Refunding Bond to be redeemed in whole or in part at the address shown on the registration records maintained by U.S. Bank National Association, as the paying agent for the Refunding Bonds (the "Paying Agent"); such mailing to be not more than 45 nor less than 20 days prior to the date set for redemption. Neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of Refunding Bonds.

## **VII. Costs of Issuance:**

The winning bidder will not be required to pay any costs of issuance associated with the Bonds, except as described in Sections XVI, XVII, XXIV and XXX. Such costs of issuance, including the winning bidder's compensation, will be paid by the District solely from the aggregate proceeds of the Refunding Bonds. The District reserves the right to instruct the winning bidder to wire a portion of the purchase price to U.S. Bank National Association, in its capacity as costs of issuance custodian for the Refunding Bonds.

By the submission of its bid pursuant to the provisions hereof, each bidder will be deemed to have represented that its underwriting discount shall not exceed 2.00% of the principal amount of the Refunding Bonds.

## **VIII. Premium/Discount Bonds:**

[Bidders may not bid a price for more than \_\_% of the aggregate principal amount of the Refunding Bonds.] No bid submitted at a price less than the aggregate par value of the Refunding Bonds will be considered.

## **IX. Registration of Refunding Bonds as to Principal and Interest and Place of Payment:**

The Refunding Bonds, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Refunding Bonds. Individual purchases will be made in book-entry form only, in the denominations of \$5,000 principal amount and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Refunding Bonds purchased. Principal and interest are payable in lawful money of the United States of America and will be paid to DTC which in turn will remit such amounts to the beneficial owners of the Refunding Bonds through DTC's Participants, as described in the Preliminary Official Statement.

## **X. Authority:**

The Refunding Bonds will be issued pursuant to the Constitution and laws of the State of California, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, and a resolution adopted by the governing board of the District.

## **XI. Security:**

Both the principal of and interest on the Refunding Bonds are payable solely from an *ad valorem* property tax levied against all of the property within the former boundaries of the District, prior to the annexation of the territory of the former Casmalia and Los Alamos school districts, subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates).

## **XII. Form of Bid:**

All bids must be submitted electronically via PARITY, pursuant to the procedures described below, and all such bids shall be deemed to constitute a Bid for Purchase of the Refunding Bonds and shall be deemed to incorporate by reference all of the terms and conditions of this Notice Inviting Proposals for Purchase of Refunding Bonds. The submission of a bid electronically via PARITY shall constitute and be deemed the bidder's signature on the Bid for Purchase of the Refunding Bonds.

### **XIII. Procedures Regarding Electronic Bidding:**

Bids must be submitted electronically via PARITY in accordance with this Notice Inviting Proposals for Purchase of Refunding Bonds, until [9:00 a.m.], California Time, on \_\_\_\_\_, 2020, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice Inviting Proposals for Purchase of Refunding Bonds, the terms of this Notice Inviting Proposals for Purchase of Refunding Bonds shall control. For further information about PARITY, potential bidders may contact the District's Municipal Advisor, Timothy Carty of Piper Sandler & Co. at (310) 297-6011 or [timothy.p.carty@psc.com](mailto:timothy.p.carty@psc.com), or PARITY at i-Deal at (212) 849-5021. In the event that a bid for the Refunding Bonds is submitted via PARITY, the bidder further agrees that:

1. Once the bids are communicated electronically via PARITY to the District as described herein, each bid will constitute a Bid for Purchase of the Refunding Bonds and shall be deemed to be an irrevocable offer to purchase the Refunding Bonds on the terms provided in this Notice Inviting Proposals for Purchase of Refunding Bonds. If a bid submitted electronically via PARITY is accepted by the District, the terms of the Bid for Purchase of the Refunding Bonds and the Notice Inviting Proposals for Purchase of Refunding Bonds and the information that is electronically transmitted through PARITY (including information about the purchase price of the Refunding Bonds, the coupon interest rate or rates to be borne by the various maturities of the Refunding Bonds, the initial public offering price of each maturity and any other information included in such transmission) shall form a contract and the successful bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the District, and the District shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the District or information provided by the bidder.

3. The District may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via PARITY's internet site ([www.tm3.com](http://www.tm3.com)) no later than 1:00 P.M. (California Time) on the last business day prior to the date of sale. In such case, a substitute bidding arrangement will be described in an amended Notice Inviting Proposals for Purchase of Refunding Bonds.

4. For purposes of submitting all Bids for Purchase of the Refunding Bonds, the time as maintained on PARITY shall constitute the official time. No bid received after the deadline shall be considered. In any case, each bid must be in accordance with the terms and conditions set forth in this official Notice Inviting Proposals for Purchase of Refunding Bonds.

5. Each bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with this Notice Inviting Proposals for Purchase of Refunding Bonds. Neither the District nor i-Deal shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the District nor i-Deal shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The District is using PARITY as a communication mechanism, and not as the District's agent, to conduct the electronic bidding for the Refunding Bonds. By using PARITY, each bidder agrees to hold the District harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Refunding Bonds.

#### **XIV. Estimate of True Interest Cost:**

Bidders are requested (but not required) to supply an estimate of the total TIC to the District on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the Board of Trustees of the District.

#### **XV. Deposit:**

The successful bidder will be required to provide a good faith deposit (the “Deposit”) in the form of a wire transfer made payable to

Orcutt Union School District  
in the amount of  
\$

prior to the official award. The wire transfer must be transmitted in immediately available funds and sent to the account of the District at U.S. Bank National Association, at the wire address specified in Section XXIII herein, with the following reference: Orcutt Union SD 2020 GO Refunding Bonds Good Faith Deposit. The Municipal Advisor will request the apparent winning bidder to immediately wire the Deposit and provide the Federal wire reference number of such Deposit to the Municipal Advisor within 90 minutes of such request by the Municipal Advisor. The Refunding Bonds will not be officially awarded to a bidder who has not submitted a Deposit in the form of a wire transfer, together with its Federal wire reference number, as provided above.

No interest on the Deposit will accrue to any bidder. The Deposit (without accruing interest) of the winning bidder will be applied to the purchase price of the Refunding Bonds. In the event the winning bidder fails to honor its accepted bid, the Deposit plus any interest accrued on the Deposit will be retained by the District. Any investment income earned on the Deposit will be paid to the successful bidder in the event the District is unable to deliver the Refunding Bonds. Deposits accompanying bids other than the bid which is accepted will be returned promptly upon the determination of the best bidder.

#### **XVI. Qualification for Sale; Blue Sky:**

The purchaser will assume responsibility for taking any action necessary to qualify the Refunding Bonds for offer and sale in jurisdictions other than California, and for complying with the laws of all jurisdictions on resale of the Refunding Bonds, and shall indemnify, defend and hold harmless the District and their respective officers and officials from any loss or damage resulting from any failure to comply with any such law. Compliance with Blue Sky Laws shall be the sole responsibility of the purchaser, and the purchaser shall pay all fees and disbursements related to the qualification of the bonds for sale under the securities or Blue Sky laws of various jurisdictions. The District will furnish such information and take such action not inconsistent with law as the purchaser may request and the District shall deem necessary or appropriate to qualify the Refunding Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the purchaser, provided, however, that the District shall not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. **The purchaser will not offer to sell, or solicit any offer to buy, the Refunding Bonds in any jurisdiction where it is unlawful for such purchaser to make such offer, solicitation or sale, and the purchaser shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions.**



## **XVII. CUSIP Numbers and Other Fees:**

The Municipal Advisor has applied for CUSIP numbers and the CUSIP numbers will be printed on the Refunding Bonds. The cost of the printing thereof and service bureau assignment will be the District's responsibility. Any delay, error or omission with respect thereto will not constitute cause for the purchaser to refuse to accept delivery of and pay for the Refunding Bonds. The successful bidder shall be required to pay all fees required by The Depository Trust Company, Bond Market Association, Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the issuance of the Refunding Bonds (see, "California Debt and Investment Advisory Commission" below).

## **XVIII. Legal Opinion:**

The Refunding Bonds are sold with the understanding that the purchaser will be furnished with the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel. A copy of the opinion will be attached to the Refunding Bonds. Said attorneys have been retained by the District as Bond Counsel and in such capacity are to render their opinion only upon the legality of the Refunding Bonds under State of California law and on the exemption of the interest income on such Refunding Bonds from State of California income taxes. Fees of Bond Counsel will be paid by the District from the costs of issuance.

## **XIX. Tax Matters:**

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Refunding Bonds is exempt from State of California personal income tax.

## **XX. Reserved.**

## **XXI. Award:**

If Refunding Bonds are awarded on the date of sale, the Refunding Bonds will be awarded to the responsible bidder submitting the best responsive bid, considering the coupon interest rate or rates and the purchase price specified in the bid. The best bid will be the bid that conforms with the provisions of this Notice Inviting Proposals for Purchase of Bonds and represents the lowest TIC to the District for the Refunding Bonds, taking into consideration the interest rate specified, and premium thereon, if any. The TIC is the discount rate that, when compounded semiannually and used to discount all debt service payments on the Refunding Bonds back to the date of delivery of such Refunding Bonds, results in an amount equal to the purchase price bid for said Refunding Bonds. In the event that two or more bidders offer bids for the Refunding Bonds at the same lowest TIC, the District will determine by lottery which bidder will be awarded the Refunding Bonds. For the purpose of calculating the TIC, the mandatory sinking fund payments, if any, shall be treated as serial maturities in such years. The determination of the bid representing the lowest TIC will be made without regard to any adjustments made or contemplated to be made after the award by the Municipal Advisor on behalf of the District, as described herein under "Adjustment of Principal Amounts," even if such adjustments have the effect of raising the TIC of the successful bid to a level higher than the bid containing the next lowest TIC prior to adjustment.

## **XXII. Prompt Award:**

The Assistant Superintendent of Business Services or Superintendent of the District, or his or her designee, will take action awarding the Refunding Bonds or rejecting all bids not later than twenty six (26) hours after the expiration of the time herein prescribed for the receipt of bid proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

## **XXIII. Delivery:**

Delivery of the Refunding Bonds will be made to the purchaser through DTC upon payment of the purchase price in federal funds payable to or for the account of the District at U.S. Bank National Association, the escrow agent for the District (the "Escrow Agent"), Wire Transfer To: Bank: \_\_\_\_\_, ABA# \_\_\_\_\_, FBO: \_\_\_\_\_, Acct: \_\_\_\_\_, Ref: Orcutt Union School District, Attn: \_\_\_\_\_.

The Closing will take place at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, 44 Montgomery Street, Suite 4200, San Francisco, California 94104, or at the purchaser's request and expense, at any other place mutually agreeable to both the District and the purchaser, on \_\_\_\_\_, 2020.

## **XXIV. California Debt Advisory and Investment Commission:**

The successful bidder will be required, pursuant to State of California law, to pay any fees to the California Debt and Investment Advisory Commission ("CDIAC"). CDIAC will invoice the successful bidder after the closing of the Refunding Bonds.

## **XXV. No Litigation:**

The District will deliver a certificate stating that no litigation is pending affecting the issuance and sale of the Refunding Bonds.

## **XXVI. Official Statement:**

The District will make available a Preliminary Official Statement relating to the Refunding Bonds, a copy of which, along with related documents, will be furnished upon request made by mail to Piper Sandler & Co., 2321 Rosecrans Avenue, Suite 3200, El Segundo, CA 90245, Attn: Timothy Carty, timothy.p.carty@psc.com, the District's Municipal Advisor for the Refunding Bonds, or telephoned to said Municipal Advisor at (310) 297-6011. Such Preliminary Official Statement, together with any supplements thereto, shall be in a form "deemed final" by the District for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final version thereof (the "Official Statement").

Each bidder must read the entire Preliminary Official Statement prior to bidding on the Refunding Bonds, to obtain information essential to the making of an informed decision to bid. This Notice Inviting Proposals for Purchase of Refunding Bonds contains certain information for general reference only, and is not a complete summary of the issue. The Internet posting of the Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the securities described in the Preliminary Official Statement, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Copies of the Official Statement will be made available to the purchaser without charge, up to an amount of 10 copies, within seven business days of the date of sale and additional copies will be made available upon request at the purchaser's expense.

The District will deliver, at the closing, a certificate, executed by an authorized officer of the District acting in their official capacity, to the effect that the Official Statement does not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

The District undertakes that for a certain period of up to twenty-five (25) days following the end of the "underwriting period" as defined in Rule 15c-2-12(b)(5) promulgated under the Securities Exchange Act of 1934 (the "Rule"), it will (i) apprise the winning bidder if any event shall occur, or information comes to the attention of the District that, in the reasonable judgment of the District, is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (ii) if requested by the winning bidder, prepare a supplement to the final Official Statement with respect to such event or information. The District will presume, unless notified in writing by the winning bidder, that the end of the underwriting period will occur on the date of the delivery of the Refunding Bonds. By making a bid on the Refunding Bonds, the winning bidder agrees (i) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements prepared by the District, and to file a copy of the final Official Statement, including any supplements prepared by the District, with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system (as provided by the Rule) within one business day after receipt thereof from the District or its designee, but in any event, no later than the date of closing and (ii) to take any and all other actions necessary to comply with the applicable rules of the Securities and Exchange Commission and the MSRB governing the offering, sale and delivery of the Refunding Bonds to the ultimate purchasers.

#### **XXVII. Continuing Disclosure:**

In order to assist bidders in complying with the Rule, the District will undertake in a Continuing Disclosure Certificate to provide certain annual financial information and notices of the occurrence of events listed therein. A description of this undertaking and a form of the Continuing Disclosure Certificate are included in the Preliminary Official Statement.

#### **XXVIII. Rating:**

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC has assigned to the Refunding Bonds the rating shown on the cover page of the Preliminary Official Statement or, if not so indicated, will be available upon request from the Municipal Advisor. Such rating reflects only the views of such organization and an explanation of the significance of such rating may be obtained from such agency as follows: S&P Global Ratings, 55 Water Street, New York, New York 10041. There is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Refunding Bonds.

#### **XXIX. Right to Cancel, Postpone, or Reschedule Sale:**

The District reserves the right to cancel, postpone or reschedule the sale of the Refunding Bonds upon notice given through the Bloomberg News Service, Thomson Municipal Market Monitor

(www.tm3.com) or The Bond Buyer not later than 1:00 p.m. (California time) on the day prior to the date bids are to be received. If the sale is postponed, bids will be received at the place set forth above, at the date and time as the District shall determine. Notice of the new sale date and time, if any, will be given through Bloomberg News Service, Thomson Municipal Market Monitor (www.tm3.com) or The Bond Buyer no later than twenty-three (23) hours prior to the new time bids are to be received. As an accommodation to bidders, telephone or fax notice of the postponement of the sale date and of the new sale date will be given to any bidder requesting such notice from the Municipal Advisor. Failure of any bidders to receive such notice shall not affect the legality of the sale.

### **XXX. Municipal Bond Insurance; Bidder's Option**

The District has applied to certain bond insurance companies for a commitment to issue a municipal bond insurance policy insuring the scheduled payment of principal of and interest on the Refunding Bonds when due. Information concerning the availability of municipal bond insurance may be obtained by contacting the Municipal Advisor, Piper Sandler & Co., as described below. In the event the District obtains a commitment for municipal bond insurance, each bidder has the option to elect whether such insurance policy will be issued and whether such insurance policy will be issued with respect to all or a portion of the Refunding Bonds. If the winning bidder elects to obtain a policy of municipal bond insurance, the premium for such insurance and the costs of any related ratings will be paid by the bidder, and the District will have no responsibility for payment of such premium and costs.

### **XXXI. Additional Information:**

Copies of the Notice Inviting Proposals for Purchase of Refunding Bonds, and the Preliminary Official Statement relating to the Refunding Bonds will be furnished to any bidder upon request made to Piper Sandler & Co., Attn: Timothy Carty, the District's Municipal Advisor for the Refunding Bonds, either by telephone at (310) 297-6011 or email at [timothy.p.carty@psc.com](mailto:timothy.p.carty@psc.com).

Dated: \_\_\_\_\_, 2020

ORCUTT UNION SCHOOL DISTRICT

By: \_\_\_\_\_



EXHIBIT C

NOTICE OF INTENTION TO SELL

\$ \_\_\_\_\_<sup>\*</sup>  
**ORCUTT UNION SCHOOL DISTRICT**  
**(SANTA BARBARA COUNTY, CALIFORNIA)**  
**2020 General Obligation Refunding Bonds**  
**(Federally Taxable)**

NOTICE IS HEREBY GIVEN that the Orcutt Union School District (the "District"), in Santa Barbara County, California, intends to offer for public sale on \_\_\_\_\_, 2020, at the hour of [9:00 a.m.] Pacific Time, at the office of Piper Sandler & Co., 2321 Rosecrans Avenue, Suite 3200, El Segundo, California 90245, approximately \$ \_\_\_\_\_<sup>\*</sup> principal amount of general obligation bonds of the District designated "Orcutt Union School District (Santa Barbara County, California) 2020 General Obligation Refunding Bonds (Federally Taxable)" (the "Refunding Bonds"). Within 26 hours, the Superintendent or Assistant Superintendent of Business Services of the District will consider the bids received and, if acceptable bids are received, which comply with the provisions of the Notice Inviting Proposals for Purchase of Bonds described below, award the sale of the Refunding Bonds on the basis of the true interest cost. In the event that no bids are awarded by the designated time, proposals will be received at a subsequent time and date to be determined by the District and publicized via PARITY, the Bond Buyer Wire, or Thomson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)).

NOTICE IS HEREBY FURTHER GIVEN that the Refunding Bonds will be offered for public sale subject to the terms and conditions of the Notice Inviting Proposals for Purchase of the Refunding Bonds (the "Notice Inviting Proposals for Purchase of Bonds"). Copies of the Preliminary Official Statement for the Refunding Bonds and the Notice Inviting Proposals for Purchase of Bonds will be furnished upon request made to Piper Sandler & Co., 2321 Rosecrans Avenue, Suite 3200, El Segundo, California 90245, Attn: Timothy Carty, phone (310) 297-6011, e-mail: [timothy.p.carty@psc.com](mailto:timothy.p.carty@psc.com), the Municipal Advisor to the District for the Refunding Bonds.

Dated: \_\_\_\_\_, 2020

ORCUTT UNION SCHOOL DISTRICT

By: \_\_\_\_\_

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<sup>\*</sup> Preliminary, subject to change.

**ESCROW AGREEMENT  
RELATING TO THE DEFEASANCE OF**

**\$4,150,000  
ORCUTT UNION SCHOOL DISTRICT  
(Santa Barbara County, California)  
2012 General Obligation Refunding Bonds, Series A**

THIS ESCROW AGREEMENT, is dated and entered into as of \_\_\_\_\_ 1, 2020, by and between the Orcutt Union School District (the "District"), and U.S. Bank National Association, acting in its capacity as escrow agent (the "Escrow Agent") pursuant to this Escrow Agreement (the "Agreement");

**W I T N E S S E T H:**

WHEREAS, the District has previously caused the issuance of its 2012 General Obligation Refunding Bonds, Series A (the "Prior Bonds"); and

WHEREAS, the District has determined that it is in the District's best interest to refund certain of the outstanding Prior Bonds, as more particularly described on Schedule C hereto (so refunded, the "Refunded Bonds"); and

WHEREAS, the District has authorized the issuance of \$\_\_\_\_\_ of its 2020 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"), the sale of which shall provide proceeds to accomplish such a refunding; and

WHEREAS, the proceeds of the sale of the Bonds shall be applied to refund and defease the Refunded Bonds in accordance with the terms of this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the District and the Escrow Agent agree as follows:

**SECTION 1.   Deposit of Moneys.**

(a)     As used herein, the term "Investment Securities" means the Investment Securities set forth in Schedule A hereto. The District hereby deposits with the Escrow Agent \$\_\_\_\_\_, which amount represents the net proceeds of the Bonds, to be held in irrevocable escrow by the Escrow Agent, separate and apart from other funds of the District and the Escrow Agent, in the fund hereby created and established and to be known as the "Orcutt Union School District 2020 General Obligation Refunding Bonds (Federally Taxable) Escrow Fund (the "Escrow Fund"). Such moneys are at least equal to an amount sufficient to purchase the principal amount of the Investment Securities set forth in Schedule A hereto.

(b)     The Escrow Agent hereby acknowledges receipt of (i) the cash flow verification report of Causey Demgen & Moore P.C., certified public accountants, dated \_\_\_\_\_, 2020 (the "Verification Report"), relating to the sufficiency of the Investment Securities and cash deposited pursuant hereto to defease the Refunded Bonds, and (ii) the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, dated \_\_\_\_\_, 2020 (the "Defeasance Opinion"), with respect to the effective defeasance of the Refunded Bonds and relating to this Agreement.

SECTION 2. Use and Investment of Escrow Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1(a) hereof and agrees to:

- (a) immediately invest \$\_\_\_\_\_ of the moneys described in Section 1(a) hereof in the Investment Securities set forth in Schedule A hereto and hold \$\_\_\_\_\_ uninvested as cash; and
- (b) make the payments required under Section 3(a) hereof at the times set forth therein.

SECTION 3. Payment of Refunded Bonds.

- (a) Payment. As the principal of the Investment Securities set forth in Schedule A hereof and the investment income and earnings thereon are paid, and together with other monies on deposit in the Escrow Fund, the Escrow Agent shall transfer from the Escrow Fund to the paying agent for the Refunded Bonds (the "Paying Agent"), amounts sufficient to pay the interest on the Refunded Bonds due on and prior to February 1, 2022 and to redeem on such date the Refunded Bonds at a redemption price equal to 100% of the outstanding principal amount thereof; and

Such transfers shall constitute the respective payments of principal of and interest on the Refunded Bonds due from the District.

- (b) Unclaimed Moneys. Any moneys which remain unclaimed for two years after the date such moneys have become due and payable hereunder shall be repaid by the Escrow Agent to the Santa Barbara County, on behalf of the District, for deposit into the Debt Service Fund relating to the Bonds. Any moneys remaining in the Escrow Fund established hereunder after February 1, 2022 (aside from unclaimed proceeds of the Refunded Bonds) which are in excess of the amount needed to pay owners of the Refunded Bonds payments of principal of and interest and redemption premium, if any, on the Refunded Bonds or to pay any amounts owed to the Escrow Agent shall be immediately transferred by the Escrow Agent to Santa Barbara County, on behalf of the District, for deposit into the Debt Service Fund relating to the Bonds.

- (c) Priority of Payments. The holders of the Refunded Bonds shall have a first lien on the moneys and Investment Securities in the Escrow Fund which are allowable and sufficient to pay such Refunded Bonds until such moneys and Investment Securities are used and applied as provided in this Agreement, as verified by the Verification Report. Any moneys or securities held in the Escrow Fund are irrevocably pledged only to the holders of the Refunded Bonds.

SECTION 4. Performance of Duties. The Escrow Agent agrees to perform the duties set forth herein.

SECTION 5. Reinvestment. Upon written direction of the District, the Escrow Agent may reinvest any uninvested amounts held as cash under this Agreement in noncallable nonprepayable obligations which are direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America, provided (i) the amounts of and dates on which the anticipated transfers from the Escrow Fund to the Paying Agent for the payment of the principal of, redemption price of, and interest on the Refunded Bonds will not be diminished or postponed thereby, (ii) the Escrow Agent shall receive the unqualified opinion of nationally recognized municipal bond counsel to the effect that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds, (iii) the Escrow Agent shall receive from a firm of independent certified public accountants a certification that, immediately after such reinvestment, the principal of and interest on obligations in the Escrow Fund will, together with other cash on deposit in the Escrow Fund available for such purposes, be sufficient without reinvestment to pay, when due, the principal

or redemption price of and interest on the Refunded Bonds; and (iv) the Escrow Agent shall receive an opinion of nationally recognized municipal bond counsel that such reinvestment is permissible under this Agreement.

SECTION 6. Indemnity. The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees, directors, officers, and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the District or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of its Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Investment Securities, the retention of the Investment Securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the District shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Agent's respective successors, assigns, agents and employees or the breach by the Escrow Agent of the terms of this Agreement. In no event shall the District or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement and the earlier resignation or removal of the Escrow Agent.

SECTION 7. Responsibilities of the Escrow Agent. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities deposited therein, the purchase of the Investment Securities, the retention of the Investment Securities or the proceeds thereof, the sufficiency of the Investment Securities to accomplish the refunding and defeasance of the Refunded Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statements of the District and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the Investment Securities to accomplish the refunding and defeasance of the Refunded Bonds or to the validity of this Agreement as to the District and, except as otherwise provided herein, the Escrow Agent shall incur no liability with respect thereto. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the District.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the District periodic cash transaction statements which shall include detail for all investment transactions made by the Escrow Agent hereunder.



SECTION 8. Substitution of Investment Securities. At the written request of the District and upon compliance with the conditions hereinafter set forth, the Escrow Agent shall have the power to sell, transfer, request the redemption or otherwise dispose of some or all of the Investment Securities in the Escrow Fund and to substitute noncallable nonprepayable obligations (the “Substitute Investment Securities”) constituting direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America. The foregoing may be effected only if: (i) the substitution of Substitute Investment Securities for the Investment Securities (or Substitute Investment Securities) occurs simultaneously; (ii) the amounts of and dates on which the anticipated transfers from the Escrow Fund to the Paying Agent for the payment of the principal of and/or redemption price of and/or interest on the Refunded Bonds will not be diminished or postponed thereby; (iii) the Escrow Agent shall receive the unqualified opinion of nationally recognized municipal bond counsel to the effect that such disposition and substitution would not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds, and that the conditions of this Section 8 as to the disposition and substitution have been satisfied and that the substitution is permitted by this Agreement; and (iv) the Escrow Agent shall receive from a firm of independent certified public accountants a certification that, immediately after such transaction, the principal of and interest on the Substitute Investment Securities in the Escrow Fund will, together with other cash on deposit in the Escrow Fund available for such purpose, be sufficient without reinvestment to pay, when due, the principal or redemption price of and interest on the Refunded Bonds. Any cash from the sale of Investment Securities (including U.S. Treasury Securities) received from the disposition and substitution of Substitute Investment Securities pursuant to this Section 8 to the extent such cash will not be required, in accordance with this Agreement, and as demonstrated in the certification described in subsection (iv) above, at any time for the payment when due of the principal or redemption price of or interest on the Refunded Bonds shall be paid to the District as received by the Escrow Agent free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under this Agreement. Any other substitution of securities in the Escrow Fund not described in the previous sentence must satisfy the requirements of this Section 8. In no event shall the Escrow Agent invest or reinvest moneys held under this Agreement in mutual funds or unit investment trusts.

SECTION 9. Irrevocable Instructions as to Notice; Termination of Obligations.

(a) The Escrow Agent hereby acknowledges that upon the funding of the Escrow Fund as provided in Section 1(a) hereof and the simultaneous purchase of the Investment Securities as provided in Section 2(a) hereof, and the receipt of the Defeasance Opinion and the Verification Report described in Section 1(b) of this Agreement, then the Refunded Bonds shall be deemed paid in accordance with their terms and all obligations of the District with respect to the Refunded Bonds shall cease and terminate, except only the obligation to make payments therefor from the monies provided hereunder;

(b) The Escrow Agent hereby agrees that it shall provide timely notice of redemption of the Refunded Bonds and notice of defeasance of the Refunded Bonds pursuant to the Irrevocable Instructions and Request to Escrow Agent attached hereto as Schedule B; and

(c) The District hereby instructs the Escrow Agent to file notice of the defeasance of the Refunded Bonds with the Municipal Securities Rulemaking Board (the “MSRB”) (which is located at <http://emma.msrb.org/>), as soon as practicable but no later than 10 days after the Closing Date and provide notice to the holders of the Refunded Bonds and any other person required to receive it under the Resolution of the District for the Refunded Bonds that the deposit of moneys has been made with the Escrow Agent and that such Escrow Agent has received a verification report verifying that the projected withdrawals from such escrow have been calculated to be adequate to pay the principal or redemption price of and the interest on said Refunded Bonds outstanding as such become due or are subject to redemption

SECTION 10. Amendments. This Agreement is made for the benefit of the District and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the District; provided, however, but only after the receipt by the Escrow Agent of an unqualified opinion of nationally recognized municipal bond counsel that the exclusion from gross income of interest on the Refunded Bonds will not be adversely affected for federal income tax purposes, that the District and the Escrow Agent may, without the consent of, or notice to, such holders, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and (iii) to include under this Agreement additional funds, securities or properties. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this Section 10, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 10. In the event of any conflict with respect to the provisions of this Agreement, this Agreement shall prevail and be binding.

SECTION 11. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the last of the Refunded Bonds have been paid in accordance with this Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 3(b) of this Agreement.

SECTION 12. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien nor will it assert a lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION 13. Resignation or Removal of Escrow Agent.

(a) The Escrow Agent may resign by giving notice in writing to the District, a copy of which shall be sent to DTC. The Escrow Agent may be removed (1) by (i) filing with the District an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid, (ii) sending notice at least 60 days prior to the effective date of said removal to DTC, and (iii) the delivery of a copy of the instruments filed with the District to the Escrow Agent or (2) by a court of competent jurisdiction for failure to act in accordance with the provisions of this Agreement upon application by the District or the holders of 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid.

(b) If the position of Escrow Agent becomes vacant due to resignation or removal of the Escrow Agent or any other reason, a successor Escrow Agent may be appointed by the District. The holders of a majority in principal amount of the Refunded Bonds then remaining unpaid may, by an instrument or instruments filed with the District, appoint a successor Escrow Agent who shall supersede any Escrow Agent theretofore appointed by the District. If no successor Escrow Agent is appointed by the District or the holders of such Refunded Bonds then remaining unpaid, within 45 days after any such resignation or removal, the holder of any such Refunded Bond or any retiring Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent. The responsibilities of the Escrow Agent under this Agreement will not be discharged until a new Escrow Agent is appointed and until the cash and investments held under this Agreement are transferred to the new Escrow Agent.

SECTION 14. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the District or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 15. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 16. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 17. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period after such nominal date.

SECTION 18. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the District.

SECTION 19. Rating Agencies. The District agrees provide to any nationally recognized rating agency maintaining a credit rating on the Refunded Bonds prior notice of each amendment entered into pursuant to Section 10 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of (i) each amendment hereto entered into pursuant to Section 10 hereof, and (ii) any action relating to severability or contemplated by Section 14 hereof.

SECTION 20. Reorganization of Escrow Agent. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Agent is a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Agent without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Agent.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

ORCUTT UNION SCHOOL DISTRICT

By: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION, as Escrow  
Agent

By: \_\_\_\_\_  
Authorized Signatory



## SCHEDULE A

“Investment Securities” are defined to be, and shall be, the securities described below:

SCHEDULE B

IRREVOCABLE INSTRUCTIONS AND REQUEST TO  
ESCROW AGENT

\_\_\_\_\_, 2020

U.S. Bank National Association

**\$4,150,000**  
**ORCUTT UNION SCHOOL DISTRICT**  
**(Santa Barbara County, California)**  
**2012 General Obligation Refunding Bonds, Series A**

Ladies and Gentlemen:

As Escrow Agent with respect to the Refunded Bonds, as such term is defined in that certain Escrow Agreement, dated as of \_\_\_\_\_ 1, 2020 (the “Escrow Agreement”), by and between the Orcutt Union School District (the “District”) and U.S. Bank National Association, and as Paying Agent with respect to the Refunded Bonds (as defined in the Escrow Agreement), you are hereby notified of the irrevocable election of the District to redeem on February 1, 2022 the Refunded Bonds at a redemption price equal to 100% of the principal amount thereof, and to pay the interest on the Refunded Bonds due on and prior to such date.

You are hereby irrevocably instructed to give, as provided in the resolution of the District pursuant to which such Refunded Bonds were issued, notice of redemption of such principal amounts of said Refunded Bonds as are scheduled to be redeemed prior to maturity to the extent such Refunded Bonds have not been otherwise redeemed or purchased by the Escrow Agent prior to such date. Such notice shall be in the form annexed hereto as Exhibit X.

You are also irrevocably instructed to file, within 10 business days of the date hereof, notice of defeasance of the Refunded Bonds with the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>.

You are hereby further irrevocably instructed to provide, as soon as practicable, notice to the holders of the Refunded Bonds (substantially in the form annexed hereto as Exhibit Y) that the deposit of investment securities and moneys has been made with you as such Escrow Agent and that you have received a verification report verifying that the projected withdrawals from such escrow have been calculated to be adequate to pay the principal or redemption price of and the interest on said Refunded Bonds outstanding as such become due or are subject to redemption.

ORCUTT UNION SCHOOL DISTRICT

By: \_\_\_\_\_  
Assistant Superintendent, Business Services

Receipt acknowledged and  
consented to:

U.S. BANK NATIONAL ASSOCIATION, as Escrow  
Agent

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT X  
NOTICE OF REDEMPTION OF  
**\$4,150,000**  
**ORCUTT UNION SCHOOL DISTRICT**  
**(Santa Barbara County, California)**  
**2012 General Obligation Refunding Bonds, Series A**

**Original Issue Date:**

<b>Maturity (February 1)</b>	<b>Rate</b>	<b>Principal Amount</b>	<b>CUSIP*</b>	<b>Bond Number</b>

NOTICE IS HEREBY GIVEN to the holders of the outstanding Orcutt Union School District (Santa Barbara County, California) 2020 General Obligation Refunding Bonds, Series A maturing on February 1, 20\_\_ through and including February 1, 20\_\_ (the "Refunded Bonds"), that such bonds have been called for redemption prior to maturity on February 1, 2022 (the "Redemption Date") in accordance with their terms at a redemption price of 100% of the principal amount thereof (the "Redemption Price"), together with accrued interest thereon to the Redemption Date. The source of the funds to be used for such redemption is the principal of and interest on investment securities heretofore deposited with U.S. Bank National Association, as Escrow Agent, together with moneys heretofore deposited with the Escrow Agent and held as cash.

Interest on the Refunded Bonds and the Redemption Price shall become due and payable on the Redemption Date, and after such date, interest on such Refunded Bonds shall cease to accrue and be payable.

Holders of the Refunded Bonds will receive payment of the Redemption Price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust office of U.S. Bank National Association in the following manner:

<b>If by Hand, Mail or Overnight Mail:</b>
U.S. Bank National Association Global Corporate Trust 111 Fillmore Avenue E. St. Paul, MN 55107

Bondholders presenting their Bonds in person for same day payment **must** surrender their bond(s) by 1:00 PM on the Redemption Date and a check will be available for pickup after 2:00 PM. Checks not picked up by 4:30 PM will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price. **Interest on the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.**

**IMPORTANT NOTICE:** Federal law requires the Paying Agent to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit [www.irs.gov](http://www.irs.gov) for additional information on the tax forms and instructions.

\*Neither the Orcutt Union School District nor the Paying Agent shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness as shown in this Redemption Notice. It is included solely for convenience of the Holders.

**By U.S. BANK NATIONAL ASSOCIATION**

**as Paying Agent**

Date: \_\_\_\_\_, 2022



EXHIBIT Y

NOTICE OF DEFEASANCE OF

**\$4,150,000**  
**ORCUTT UNION SCHOOL DISTRICT**  
**(Santa Barbara County, California)**  
**2012 General Obligation Refunding Bonds, Series A**

**Original Issue Date:**

<b>Maturity (February 1)</b>	<b>Rate</b>	<b>Principal Amount</b>	<b>CUSIP</b>	<b>Bond Number</b>

Notice is hereby given to the holders of the outstanding Orcutt Union School District (Santa Barbara County, California) 2012 General Obligation Refunding Bonds, Series A, maturing on February 1, 20\_\_ through and including February 1, 20\_\_ (the "Bonds") (i) that there has been deposited with U.S. Bank National Association, as escrow agent (the "Escrow Agent"), moneys and investment securities as permitted by the Escrow Agreement, dated as of \_\_\_\_\_ 1, 2020, between the Orcutt Union School District and the Escrow Agent (the "Agreement"), the principal of and the interest on which when due will provide moneys which, together with such other moneys deposited with the Escrow Agent, shall, as evidenced by a verification report delivered to the Escrow Agent, be available and sufficient (a) to pay the interest on the Bonds scheduled to be paid on and prior to February 1, 2022 (the "Redemption Date") and (b) to redeem such Bonds on such Redemption Date at a redemption price (expressed as a percentage of the principal amount of the Bonds) equal to 100%; (ii) that the Escrow Agent has been irrevocably instructed to so redeem such Bonds; and (iii) that such Bonds are deemed to be paid in accordance with Sections 3 and 9 of the Agreement.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2020.

ORCUTT UNION SCHOOL DISTRICT

U.S. BANK NATIONAL ASSOCIATION, as  
Escrow Agent

SCHEDULE C

**REFUNDED BONDS**

**\$4,150,000**

**ORCUTT UNION SCHOOL DISTRICT**

**(Santa Barbara County, California)**

**2012 General Obligation Refunding Bonds, Series A**

<b>Maturity (February 1)</b>	<b>Rate</b>	<b>Principal Amount</b>	<b>CUSIP</b>	<b>Bond Number</b>



#### **BOARD OF TRUSTEES**

SHAUN HENDERSON  
LISA MORININI  
LIZ PHILLIPS  
MARK STELLER  
MELANIE WAFFLE

DEBORAH BLOW, Ed.D.  
*District Superintendent*  
HOLLY EDDS, Ed.D.  
*Assistant Superintendent*  
SUSAN SALUCCI  
*Assistant Superintendent*  
WILLIAM YOUNG  
*Assistant Superintendent*  
KIRBY FELL  
*Chief Technology Officer*

## Where a Dedicated Staff Means **KIDS COME FIRST**

DATE: April 8, 2020

TO: Board of Trustees

FROM: William Young, Assistant Superintendent of Business Services

RE: Resolution #13 A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT, SANTA BARBARA COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF ORCUTT UNION SCHOOL DISTRICT (SANTA BARBARA COUNTY, CALIFORNIA) ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B, AND ACTIONS RELATED THERETO

### **BACKGROUND**

An election was held in the Orcutt Union School District (the “District”) on November 8, 2016 (the “Election”) for the issuance and sale of general obligation bonds of the District for various purposes in the maximum principal amount of \$60,000,000 (“Measure G”). The District has previously issued one series of bonds under Measure G, in a principal amount equal to \$15,250,000. The District now desires to finance voter-approved projects through the issuance of the second series of bonds under Measure G (the “Bonds”) in an aggregate principal amount not-to-exceed \$20,500,000.

(a) Resolution. The Resolution authorizes the issuance of the Bonds, specifies the basic terms, parameters and form of the Bonds, and approves the forms of a Notice Inviting Proposals for Purchase of Bonds, a Notice of Intention to Sell, a Preliminary Official Statement, and a Continuing Disclosure Certificate, each as described below. In particular, Section 1 of the Resolution establishes the maximum aggregate principal amount of the Bonds to be issued (\$20,500,000). The Resolution authorizes the issuance of current interest bonds only; capital appreciation bonds are not authorized. Section 3 authorizes the bonds to be sold at a competitive sale, and authorizes Piper Sandler & Co., the District’s Financial Advisor, to solicit bids from prospective bidders, and award the sale of the Bonds on the basis of the lowest true interest cost.

(b) Notice Inviting Proposals for Purchase of Bonds; Notice of Intention to Sell. The Resolution includes as Exhibits B and C the forms of a Notice Inviting Proposals for Purchase of Bonds and a Notice of Intention Sell. The Resolution authorizes the District’s Financial Advisor to distribute the Notice Inviting Proposals for Purchase of Bonds to prospective bidders and to cause the Notice of Intention to Sell to be published in the Bond Buyer, a national municipal securities newspaper, to satisfy applicable legal requirements. The Notice Inviting Proposals for Purchase of Bonds sets forth certain conditions of closing the transaction, including certain of the documentation to be provided at the closing by various parties.

(c) Form of Preliminary Official Statement. The Preliminary Official Statement (the “POS”) is the offering document describing the Bonds which may be distributed to prospective purchasers of the Bonds. The POS discloses information with respect to, among other things, (i) the proposed uses of proceeds of the Bonds, (ii) the terms of the Bonds (interest rate, redemption terms, etc.), (iii) the bond insurance policy for the Bonds, if any, (iv) the security for repayment of the Bonds (the *ad valorem* property tax levy), (v) information with respect to the District’s tax base (upon which such *ad valorem* property taxes may be levied), (vi) District financial and operating data, (vii) continuing disclosure with respect to the Bonds and the District, and (viii) absence of material litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Bonds. Following the pricing of the Bonds, a final Official Statement for the Bonds will be prepared, substantially in the form of the POS.

(d) Form of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate can be found in APPENDIX C to the POS. Effective July 3, 1995, all underwriters of municipal bonds are obligated to procure from a bond issuer a covenant that such public agency will annually file “material financial information and operating data with respect to the District” through the web-based Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (which is the federal agency that regulates “broker-dealers,” including investment bank firms that underwrite municipal obligation issuance). This requirement is expected to be satisfied by the filing of the District’s audited financial statements and other operating information about the District, in the same manner the District has filed in connection with prior bond issuances. The purpose of the law is to provide investors in the Bonds with current information regarding the District.

#### RECOMMENDATION:

Staff recommends approval of Resolution #13 A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT, SANTA BARBARA COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF ORCUTT UNION SCHOOL DISTRICT (SANTA BARBARA COUNTY, CALIFORNIA) ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B, AND ACTIONS RELATED THERETO.

#### FISCAL IMPACT

There is no fiscal impact to the General Fund resulting from the issuance of the Bonds.



## **RESOLUTION NO. 13**

### **A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT, SANTA BARBARA COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF ORCUTT UNION SCHOOL DISTRICT (SANTA BARBARA COUNTY, CALIFORNIA) ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B, AND ACTIONS RELATED THERETO**

**WHEREAS**, a duly called election was held in the Orcutt Union School District (the “District”), Santa Barbara County (the “County”), State of California, on November 8, 2016 (the “Election”) and thereafter canvassed pursuant to law;

**WHEREAS**, at the Election there was submitted to and approved by the requisite fifty-five percent or more vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the various purposes set forth in the ballot submitted to the voters, in the maximum principal amount not-to-exceed \$60,000,000, payable from the levy of an *ad valorem* property tax against the taxable property in the District (the “Authorization”);

**WHEREAS**, the District previously caused the issuance of the first series of bonds under the Authorization in the principal amount of \$15,210,000;

**WHEREAS**, at this time, this Board of Trustees (this “Board”) has determined that it is necessary and desirable to issue the second series of bonds under the Authorization in an aggregate principal amount not-to-exceed \$20,500,000, and to be styled as “Orcutt Union School District (Santa Barbara County, California) Election of 2016 General Obligation Bonds, Series B” (the “Bonds”);

**WHEREAS**, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, the Bonds are authorized to be issued by the District for the purposes set forth in the ballot submitted to the voters at the Election;

**WHEREAS**, this Board desires to authorize the issuance of the Bonds in one or more Series of Taxable Bonds or Tax-Exempt Bonds, and further as Current Interest Bonds (as such terms are defined herein);

**WHEREAS**, pursuant to Government Code Section 5852.1, the Board of Education of the District has obtained from the District’s Municipal Advisor (as defined herein) and disclosed herein, in a meeting open to the public, prior to authorization of the execution and delivery of the Bonds, good faith estimates of (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments to be evidenced by the Bonds calculated to the final payment date evidenced by the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds;

**WHEREAS**, the Board desires to finance the costs of acquiring, constructing, reconstructing and/or equipping of school facilities (the “Project”) as provided in the Authorization; and

**WHEREAS**, the District intends to finance the acquisition, construction, reconstruction and/or equipping of the Project or portions of the Project with the proceeds of the sale of the Bonds, the interest on which is expected to be excluded from gross income for federal income tax purposes; and

**WHEREAS**, prior to the issuance of the Bonds the District desires to incur certain capital expenditures (the “Expenditures”) with respect to the Project from available moneys of the District; and

**WHEREAS**, the Board has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the District for the Expenditures from the proceeds of the Bonds;

**WHEREAS**, this Board desires to appoint certain professionals to provide services related to the issuance of the Bonds;

**WHEREAS**, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

**NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED BY THE BOARD OF TRUSTEES OF THE ORCUTT UNION SCHOOL DISTRICT, SANTA BARBARA COUNTY, CALIFORNIA, AS FOLLOWS:**

**SECTION 1. Authorization for Issuance of the Bonds.** To raise money for the purposes authorized by the voters of the District at the Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California and orders such Bonds sold at a competitive sale in one or more Series of Taxable Bonds or Tax-Exempt Bonds (each as defined herein), with appropriate Series designation if more than one Series is issued, and further entirely as Current Interest Bonds. The Board further orders such Bonds sold such that the Bonds shall be dated as of a date to be determined by an Authorized Officer (defined below), shall bear interest at a rate not to exceed that authorized at the Election, shall be payable upon such terms and provisions as shall be set forth in the Bonds, shall mature on the dates and in the amounts set forth in the Official Statement (defined herein), and shall be in an aggregate principal amount not-to-exceed \$20,500,000.

**SECTION 2. Paying Agent.** This Board hereby appoints the Paying Agent, as defined herein, to serve as the paying agent, bond registrar, transfer agent and authentication agent for the Bonds on behalf of the District. This Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Bonds may be paid in each year from *ad valorem* property taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically by Education Code Section 15232.

**SECTION 3. Approval of the Notice Inviting Proposals for Purchase of Bonds.** The competitive sale of the Bonds shall be undertaken pursuant to the Notice Inviting Proposals for Purchase of Bonds, and the Notice of Intention To Sell, set forth in Exhibits B and C hereto, respectively. The Superintendent of the District (the “Superintendent”) or the Assistant Superintendent of Business Services (and together with the Superintendent, the “Authorized Officers”) each alone, are

hereby authorized to execute the Notice of Intention to Sell attached hereto as Exhibit C (the “Notice of Intention”) and to cause the Notice of Intention to be published in The Bond Buyer once at least five (5) days prior to the date set to receive bids.

The terms and conditions of the offering and the sale of the Bonds shall be as specified in the Notice Inviting Proposals for Purchase of Bonds. The Board shall award the sale of the Bonds by acceptance of the bids with the lowest true interest cost with respect to the Bonds, so long as the principal amount of the Bonds does not exceed \$20,500,000 and the true interest cost does not exceed 8.0%.

Piper Sandler & Co., the municipal advisor to the District (the “Municipal Advisor”), is hereby authorized and directed to cause to be furnished to prospective bidders a reasonable number of copies of the Notice Inviting Proposals for Purchase of Bonds and a reasonable number of copies of the Official Statement.

The Board hereby approves the competitive sale of the Bonds and determines that a competitive sale contributes to the District’s goal of achieving the lowest overall cost of funds. The Board estimates that the costs associated with the issuance and purchase of the Bonds and any such costs which the successful bidder or bidders agrees to pay pursuant to the Notice Inviting Proposals for Purchase of Bonds (excluding the fees of the Bond Insurer, if any), will equal approximately 1.50% of the principal amount of the Bonds.

The Municipal Advisor and Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), are hereby authorized and directed to open the bids at the time and place specified in the Notice Inviting Proposals for Purchase of Bonds and to present the same to the Authorized Officers. The Municipal Advisor and Bond Counsel are hereby authorized and directed to receive and record the receipt of all bids made pursuant to the Notice Inviting Proposals for Purchase of Bonds; to cause said bids to be examined for compliance with the Notice Inviting Proposals for Purchase of Bonds; and to cause computations to be made as to which bidder has bid the lowest true interest cost with respect to the Bonds, as provided in the Notice Inviting Proposals for Purchase of Bonds, along with a report as to the foregoing and any other matters deemed pertinent to the award of the Bonds and the proceedings for the issuance thereof.

**SECTION 4. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Official Statement):

(a) “**Beneficial Owner**” means, when used with reference to book-entry Bonds registered pursuant to Section 5 hereof, the person who is considered the beneficial owner of such Bonds pursuant to the arrangements for book entry determination of ownership applicable to the Depository.

(b) “**Bond Insurer**” means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal of and interest on the Bonds.

(c) “**Bond Payment Date**” means, unless otherwise provided by the Official Statement, February 1 and August 1 of each year commencing August 1, 2020 with respect to interest on the Bonds, and the stated maturity dates of Bonds with respect to payments of Principal of the Bonds.

(d) **“Bond Register”** means the registration books which the Paying Agent shall keep or cause to be kept on which the registered ownership, transfer and exchange of Bonds shall be recorded.

(e) **“Code”** means the Internal Revenue Code of 1986, as amended. Reference to any particular section of the Code shall be deemed to be a reference to any successor to any such section.

(f) **“Continuing Disclosure Certificate”** means that certain contractual undertaking of the District pursuant to paragraph (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, and relating to the Bonds, dated as of the date of issuance thereof, as amended from time to time in accordance with the provisions thereof.

(g) **“Current Interest Bonds”** means the Bonds, the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Official Statement.

(h) **“Dated Date”** means the date of initial issuance and delivery of the Bonds, or such other date as shall appear in the Official Statement.

(i) **“Depository”** means the entity acting as securities depository for the Bonds pursuant to Section 5(c) hereof.

(j) **“DTC”** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as the initial Depository for the Bonds.

(k) **“Holder”** or **“Owner”** means the registered owner of a Bond as set forth on the Bond Register maintained by the Paying Agent pursuant to Section 5 hereof.

(l) **“Information Services”** means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

(m) **“Long Current Interest Bonds”** means Bonds that mature later than 30 years from the date of issuance thereof.

(n) **“Moody’s”** means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the District.

(o) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 5(c) hereof.

(p) **“Official Statement”** means the Official Statement for the Bonds, as described in Section 16 hereof.

(q) **“Outstanding”** means, when used with reference to the Bonds, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

(i) Bonds canceled at or prior to such date;

(ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 7 hereof; or

(iii) Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 18 of this Resolution.

(r) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(s) **“Paying Agent”** means, initially, U.S. Bank National Association, and afterwards any successor thereto, acting as the authenticating agent, bond registrar, transfer agent and paying agent for the Bonds.

(t) **“Permitted Investments”** means (i) any lawful investments permitted by Government Code Sections 16429.1 and 53601, (ii) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Government Code Section 53635, but without regard to any limitations in such Section concerning the percentage of moneys available for investment being invested in a particular type of security, (iii) a guaranteed investment contract with a provider having a rating meeting the minimum rating requirements of the County investment pool maintained by the Treasurer, (iv) the Local Agency Investments Fund of the California State Treasurer, (v) the County investment pool described above, and (vi) State and Local Government Series Securities.

(u) **“Principal”** or **“Principal Amount”** means, with respect to any Bond, the initial principal amount thereof.

(v) **“Record Date”** means the close of business on the 15th day of the month preceding each Bond Payment Date.

(w) **“Series”** means any Bonds executed, authenticated and delivered pursuant to the provisions hereof identified as a separate series of Bonds.

(x) **“S&P”** means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the District.

(y) **“Taxable Bonds”** means any Bonds not issued as Tax-Exempt Bonds.

(z) **“Tax-Exempt Bonds”** means any Bonds the interest on which is excludable from gross income for federal income tax purposes and is not treated as an item of tax



preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Bonds.

(aa) “**Term Bonds**” means those Bonds for which mandatory redemption dates have been established in the Official Statement.

(bb) “**Transfer Amount**” means, with respect to any Outstanding Bond, the Principal Amount.

(cc) “**Treasurer**” means the Treasurer-Tax Collector of the County, or other comparable officer of the County.

## **SECTION 5. Terms of the Bonds.**

(a) Denomination, Interest, Dated Dates and Terms. The Bonds shall be issued as fully registered Current Interest Bonds registered as to both Principal and interest, in denominations of \$5,000 Principal Amount or any integral multiple thereof. The Bonds shall bear interest at a rate not in excess of that authorized at the Election. The Bonds will initially be registered in the name of “Cede & Co.,” the Nominee of the Depository Trust Company, New York, New York.

Each Bond shall be dated as of the Dated Date, and shall bear interest at the rates set forth in the Official Statement, from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated during the period from the 16<sup>th</sup> day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from its Dated Date. Interest shall be payable on the respective Bond Payment Dates and shall be calculated on the basis of a 360-day year of twelve, 30-day months.

To the extent the issuance of Bonds includes Long Current Interest Bonds, the useful life of any facility financed with such Long Current Interest Bonds will equal or exceed the maturity of such Long Current Interest Bonds.

### **(b) Redemption.**

(i) Terms of Redemption. The Bonds shall be subject to optional or mandatory sinking fund redemption prior to maturity as provided in the Official Statement.

(ii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that with respect to redemption by lot, the portion of any Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof.

The Official Statement may provide that (i) in the event that any portion of a Term Bond is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect to such Bond shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Bond optionally redeemed, and

(ii) within a maturity, Bonds shall be selected for redemption on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided further that, such redemption is made in accordance with the operational arrangements of DTC then in effect.

(iii) Redemption Notice. When redemption is authorized pursuant to Section 5(b)(i) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a “Redemption Notice”) of the redemption of the Bonds (or portions thereof). Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Paying Agent, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the Principal Amount of such Bond to be redeemed, and the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue.

The Paying Agent shall take the following actions with respect to each such Redemption Notice:

(a) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository.

(c) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

(d) Provide the Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided herein shall be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. Such Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon, or on the Bonds.

With respect to any notice of optional redemption of Bonds (or portions thereof) pursuant to Section 5(b)(i) hereof, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased pursuant to Section 18 hereof, such notice shall state that such redemption shall be conditional upon the receipt by an independent escrow agent selected by the District on or prior

to the date fixed for such redemption of the moneys necessary and sufficient to pay the Principal of, premium, if any, and interest on such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received, said notice shall be of no force and effect, no portion of the Bonds shall be subject to redemption on such date and such Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption shall not be made and the Paying Agent shall within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent shall distribute a notice of the rescission of such Redemption Notice in the same manner as such notice was originally provided.

(iv) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(v) Effect of Redemption Notice. Notice having been given as aforesaid, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as provided in Section 18 hereof, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 5(b) hereof, together with interest accrued to such redemption date, shall be held in trust as provided in Section 18 hereof so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as aforesaid, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable. All money held for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds to be so redeemed.

(vi) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and accrued interest thereon to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

(c) Book-Entry System.

(i) Election of Book-Entry System. The Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in authorized denominations. The ownership of each such Bond shall be registered in the

Bond Register in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 5(c)(i)(4).

With respect to book-entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book-entry Bonds, including any Redemption Notice, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Principal of, premium, if any, or interest on the book-entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Bond is registered in the Bond Register as the absolute Owner of such book-entry Bond for the purpose of payment of Principal of, premium and interest on and to such Bond, for the purpose of giving Redemption Notices and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his or her respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Principal of, premium, if any, and interest on the Bonds. Upon delivery by the Depository to the Owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the District shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the District shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the Beneficial Owners of the Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such Outstanding book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its

Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 5(c).

3. Payments and Notices to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all Outstanding Bonds are held in book entry form and registered in the name of the Nominee, all payments by the District or the Paying Agent with respect to Principal of, premium, if any, or interest on the Bonds and all notices with respect to such Bonds, including notices of redemption, shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise required or instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

4. Transfer of Bonds to Substitute Depository.

(A) The Bonds shall be initially issued as described in the Official Statement described herein. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 5(c)(i)(4)(A)(2) (“Substitute Depository”); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 5(c)(i)(4)(A)(1) or (2), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 5(c)(i)(4)(A)(3), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as



are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in Principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such Beneficial Owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Bonds.

**SECTION 6. Execution of the Bonds.** The Bonds shall be signed by the President of the Board, or other member of the Board authorized to sign on behalf of the President, by their manual or facsimile signature and countersigned by the manual or facsimile signature of the Clerk of or Secretary to the Board, or the designee thereof, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

**SECTION 7. Paying Agent; Transfer and Exchange.** So long as any of the Bonds remain Outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 8 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal of, premium, if any, and interest on any Bond shall be made only to or upon the order of such Owner; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like Series, tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon

exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new bond or bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the Owner, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and Transfer Amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Bonds shall be retained for three years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

**SECTION 8. Payment.** Payment of interest on any Bond shall be made on any Bond Payment Date to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The Principal, and redemption premiums, if any, payable on the Bonds shall be payable upon maturity

or redemption upon surrender at the principal office of the Paying Agent. The Principal of, interest on, and redemption premiums, if any, on, the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are obligations of the District payable solely from the levy of *ad valorem* property taxes upon all property within the District subject to taxation, which taxes shall be without limit as to rate or amount. The Bonds do not constitute an obligation of the County except as provided in this Resolution, and no part of any fund of the County is pledged or obligated to the payment of the Bonds.

**SECTION 9. Form of Bonds.** The Bonds shall be in substantially the form as set forth in Exhibit A hereto, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution and the Official Statement, or to correct or cure any defect, inconsistency, ambiguity or omission therein. Pending the preparation of definitive Bonds, the Bonds may be executed and delivered in temporary form exchangeable for definitive Bonds when ready for delivery. If the Paying Agent delivers temporary Bonds, it shall execute and deliver definitive Bonds in an equal aggregate principal amount of authorized denominations, when available, and thereupon the temporary Bonds shall be surrendered to the Paying Agent. Until so exchanged, the temporary Bonds shall be entitled to the same benefits hereunder as definitive Bonds.

**SECTION 10. Delivery of Bonds.** The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the original purchaser upon payment of the purchase price therefor.

**SECTION 11. Deposit of Proceeds of Bonds.** (a) The purchase price received from the sale of the Bonds, to the extent of the Principal Amount thereof, shall be paid to the County to the credit of the fund hereby authorized to be created to be known as the "Orcutt Union School District Election of 2016 General Obligation Bonds, Series B Building Fund" (the "Building Fund") of the District, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued and provided further that such proceeds shall be applied solely to the purposes authorized by the voters of the District at the Election. The County shall have no responsibility for assuring the proper use of the Bond proceeds by the District. At the election of the District (i) to the extent the Bonds are sold in the more than one Series, there shall be created a separate Building Fund for each such Series of Bonds, and all references herein to a Building Fund shall be deemed to include each Building Fund created for a Series of Bonds, and (ii) the Building Fund may be established as a subaccount of, or otherwise combined with, any fund established by the County for the purpose of holding proceeds of *ad valorem* property tax levies made to pay any bonds issued pursuant to the respective Authorization.

The purchase price received from the original purchaser of the Bonds, to the extent of any accrued interest and any net original issue premium, shall be kept separate and apart in the fund hereby authorized to be created to be known as the "Orcutt Union School District Election of 2016 General Obligation Bonds, Series B Debt Service Fund" (the "Debt Service Fund") for the Bonds and used for payment of Principal of and interest on the Bonds, and for no other purpose. At the election of the District (i) to the extent the Bonds are sold in the more than one Series, there shall be created a separate Debt Service Fund for each such Series of Bonds, and all references herein to a Debt Service Fund shall be deemed to include each Debt Service Fund created for a Series of Bonds, and (ii) the Debt Service Fund may be established as a subaccount of, or otherwise combined with, any fund established by the County for the purpose of holding proceeds of *ad valorem* property tax levies made to pay any bonds issued pursuant to the

respective Authorization. Interest earnings on monies held in the Building Fund shall be retained in the Building Fund. Interest earnings on monies held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued upon written notice from the District shall be transferred to the Debt Service Fund and applied to the payment of Principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

The costs of issuance of the Bonds are hereby authorized to be paid either from premium withheld by the purchaser upon the sale of the Bonds, or from the Principal Amount of the Bonds. To the extent costs of issuance are paid from such Principal Amount, the District may direct that a portion thereof, in an amount not to exceed 2.0% of such Principal Amount, in lieu of being deposited into the Building Fund, be deposited in a costs of issuance account to be held by a fiscal agent of the District appointed for such purpose. Any excess moneys in the cost of issuance account remaining after payment of all costs of issuance shall be transferred to the County for deposit into the Building Fund or Debt Service Fund, as appropriate.

(b) Moneys in the Debt Service Fund and the Building Fund shall be invested in Permitted Investments, in accordance with applicable law and the investment policy of the County. The District hereby authorizes investments made pursuant to this Resolution with maturities in excess of five years. Neither the County nor its officers and agents, as the case may be, shall have any responsibility or obligation to determine the tax consequences of any investment.

(c) Except as required to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of moneys held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the County to pay the principal of and interest on the Bonds when due.

**SECTION 12. Rebate Fund.** The following provisions shall apply to any Bonds issued as Tax-Exempt Bonds.

(a) The District shall create and establish a special fund designated the “Orcutt Union School District Election of 2016 General Obligation Bonds, Series B Rebate Fund” (the “Rebate Fund”). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District in connection with the Tax-Exempt Bonds (the “Tax Certificate”).

(b) Within 45 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Treasury Regulations, using as the “computation date” for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such

excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the “rebate amount” and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Bonds (including amounts treated as proceeds of the Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than 60 days after the end of (i) the fifth Bond Year, and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than 60 days after the payment of all Bonds, an amount equal to 100% of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.



(h) The District shall retain records of all determinations made hereunder until three years after the complete retirement of the Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Bonds.

**SECTION 13. Security for the Bonds.** There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* property tax annually during the period the Bonds are Outstanding in an amount sufficient to pay the Principal of and interest on the Bonds when due, which moneys when collected will be deposited in the Debt Service Fund of the District, and which fund is hereby designated for the payment of the principal of and interest on the Bonds when and as the same shall fall due, and for no other purpose. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* tax in accordance with this Section 13. Pursuant to Government Code Section 53515, the Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* taxes for the payment thereof.

Pursuant to Government Code Sections 5450 and 5451, the District hereby pledges all revenues received from the levy and collection *ad valorem* taxes for the payment of the Bonds and all amounts on deposit in the Debt Service Fund to the payment of the Bonds. Such pledge shall constitute a lien on and security interest in such taxes and amounts in the Debt Service Fund. This pledge shall constitute an agreement between the District and the Owners of the Bonds to provide security for the payment of the Bonds in addition to any statutory lien that may exist.

The moneys in the Debt Service Fund, to the extent necessary to pay the Principal of and interest on the Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay such Principal and interest. DTC will thereupon make payments of Principal of and interest on the Bonds to the DTC Participants who will thereupon make payments of such Principal and interest to the Beneficial Owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District, pursuant to the Education Code Section 15234.

**SECTION 14. Arbitrage Covenant.** The District covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed thereunder or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

**SECTION 15. Conditions Precedent.** The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

**SECTION 16. Official Statement.** The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Secretary to the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Municipal Advisor to be used in

connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the purchaser of the Bonds a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. Execution of the Official Statement shall conclusively evidence the District’s approval of the Official Statement.

**SECTION 17. Insurance.** In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the Principal of interest on the Bonds, it shall become the Owner of such Bonds with the right to payment of such Principal or interest, and shall be fully subrogated to all of the Owners’ rights, including the Owners’ rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest, the Paying Agent shall note the Bond Insurer’s rights as subrogee on the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal, the Paying Agent shall note the Bond Insurer as subrogee on the Bond Register for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**SECTION 18. Defeasance.** All or any portion of the Outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Bonds Outstanding and designated for defeasance (including all Principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with amounts transferred from the Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds Outstanding and designated for defeasance (including all Principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated Outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, Government Obligations shall mean:

Direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), and

obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either Moody's or S&P.

**SECTION 19. Nonliability of County.** Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the County, nor its officials, officers, employees or agents shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Bonds are not a debt of the County or a pledge of the County's full faith and credit, and the Bonds and any liability in connection therewith shall be paid solely from *ad valorem* property taxes lawfully levied to pay the Principal of or interest on the Bonds, which taxes shall be unlimited as to rate or amount.

**SECTION 20. Reimbursement of County Costs.** The District shall reimburse the County for all costs and expenses incurred by the County, its officials, officers, agents and employees in issuing or otherwise in connection with the issuance of the Bonds.

**SECTION 21. Request to County to Levy Tax.** The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of *ad valorem* property taxes in each year sufficient to pay all Principal of and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to pay all such Principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The Board hereby finds and determines that such *ad valorem* taxes shall be levied specifically to pay the Bonds being issued to finance specific projects authorized by the voters of the District at the Election.

**SECTION 22. Other Actions.** (a) Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby appoints Piper Sandler & Co., as the Municipal Advisor and Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel and Disclosure Counsel, each with respect to the issuance of the Bonds.

(c) Based on a good faith estimate from the Municipal Advisor, the District finds that (i) the True Interest Cost of the Bonds (as defined in Government Code Section 5852.1) is expected to be approximately 3.94%, (ii) the total Finance Charge of the Bonds (as defined in Government Code

Section 5852.1) is expected to be \$430,018, (iii) the total proceeds expected to be received by the District from the sale of the Bonds, less the Finance Charge of the Bonds, is \$20,000,000, and (iv) the District expects that the Total Payment Amount (as defined in Government Code Section 5852.1), calculated to the final maturity of the Bonds, will be \$40,001,581. The information presented in this Section 22(c) is included in satisfaction of Government Code Section 5852.1, and shall not abrogate or otherwise limit any provision of this Resolution.

(d) Notwithstanding any other provisions contained herein, the provisions of this Resolution as they relate to the Bonds may be amended by the Official Statement.

**SECTION 23. Resolution to County Treasurer-Tax Collector.** The Clerk of or Secretary to this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer and the Auditor-Controller of the County immediately following its adoption.

**SECTION 24. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated as of the Dated Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Board hereby approves the form of the Continuing Disclosure Certificate appended to the form of the Preliminary Official Statement on file with the Secretary to the Board as of the date hereof, and the Authorized Officers, each alone, are hereby authorized to execute and deliver such Continuing Disclosure Certificate with such changes therein and modifications thereto as shall be approved by the Authorized Officer executing the same, such approval to be conclusively evidenced by such execution and delivery. Any Bond Holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

**SECTION 25. Effective Date.** This Resolution shall take effect immediately upon its passage.

**SECTION 26. Further Actions Authorized.** It is hereby covenanted that the District, and its appropriate officials, have duly taken all actions necessary to be taken by them, and will take any additional actions necessary to be taken by them, for carrying out the provisions of this Resolution.

**SECTION 27. Reimbursement.** (a) The District hereby states its intention to and reasonably expects to reimburse Project costs incurred prior to the issuance of the Bonds with proceeds of the Bonds. Exhibit B of the resolution adopted by the District ordering the measure authorizing the Bonds to be consolidated with the Election describes the general character, type, purpose, and function of the Projects.

(b) The reasonably expected maximum principal amount of the Bonds is \$\_\_\_\_\_.

(c) This resolution is being adopted not later than 60 days after the payment of the original Expenditures (the "Expenditures Dates or Dates").

(d) The District will make a reimbursement allocation, which is a written allocation that evidences the District's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or

abandoned, but in no event more than three years after the date on which the Expenditure is paid. If both the District and a licensed architect or engineer certify that at least 5 years is necessary to complete construction of the Project, the maximum reimbursement period is changed from 3 years to 5 years.

(e) Each Expenditure will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the District so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the District.

(f) This resolution is consistent with the budgetary and financial circumstances of the District, as of the date hereof. No moneys from sources other than the Bonds are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the District (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

(g) This resolution is adopted as official action of the District in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of District expenditures incurred prior to the date of issue of the Bonds.

(h) The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Bonds, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Bonds, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Bonds that finances the Project for which the preliminary expenditures were incurred.



**SECTION 28. Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

PASSED, ADOPTED AND APPROVED this 8th day of April, 2020, by the following vote:

AYES: MEMBERS \_\_\_\_\_

NOES: MEMBERS \_\_\_\_\_

ABSTAIN: MEMBERS \_\_\_\_\_

ABSENT: MEMBERS \_\_\_\_\_

\_\_\_\_\_  
President of the Board of Trustees,  
Orcutt Union School District

ATTEST:

\_\_\_\_\_  
Secretary to the Board of Trustees,  
Orcutt Union School District

## SECRETARY'S CERTIFICATE

I, Dr. Deborah Blow, Superintendent of and Secretary to the Board of Trustees of the Orcutt Union School District, Santa Barbara County, California, hereby certify as follows:

The foregoing is a full, true and correct copy of a Resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on April 8, 2020, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said 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 said meeting and entered in said minutes.

Said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: April \_\_, 2020

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Superintendent and Secretary to the Board of Trustees  
of the Orcutt Union School District

**EXHIBIT A**  
**FORM OF BONDS**

**UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE PAYING AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.**

**REGISTERED  
NO.**

**REGISTERED  
\$**

**ORCUTT UNION SCHOOL DISTRICT  
(SANTA BARBARA COUNTY, CALIFORNIA)  
ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B**

INTEREST RATE:      MATURITY DATE:      DATED AS OF:      CUSIP

REGISTERED OWNER:      CEDE & CO.

PRINCIPAL AMOUNT:

The Orcutt Union School District (the "District") in Santa Barbara County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2020. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2020, in which event it shall bear interest from the Dated Date. Interest shall be computed on the basis of a 360-day year of twelve, 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered, such owner being the Registered Owner, on the Register maintained by the Paying Agent, initially U.S. Bank National Association, Los Angeles, California. Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by wire transfer by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown on the bond register maintained by the Paying Agent, and to the bank and

account number on file with the Paying Agent, as of the close of business on the 15th day of the month next preceding that Bond Payment Date (the “Record Date”).

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the Election (defined herein) and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a general election held on November 8, 2016 (the “Election”), upon the question of issuing bonds in the amount of \$60,000,000 and the resolution of the Board of Trustees of the District adopted on April 8, 2020 (the “Bond Resolution”). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252. Pursuant to Government Code Section 53515, the bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of such *ad valorem* property taxes.

Pursuant to Government Code Sections 5450 and 5451, the District has pledged all revenues received from the levy and collection of *ad valorem* property taxes for the payment of the bonds, and all amounts on deposit in the Debt Service Fund (as defined in the Bond Resolution), to the payment of the bonds. Such pledge shall constitute a lien on and security interest in such taxes and amounts in the Debt Service Fund, and shall constitute an agreement between the District and the Registered Owners of the Bonds to provide security for the payment of the bonds in addition to any statutory lien that may exist.

The bonds of this issue comprise \$\_\_\_\_\_ principal amount of Current Interest Bonds, of which this bond is a part (collectively, the “Bonds”).

This bond is exchangeable and transferable for Bonds of like series, tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) transfer any Bond which has been selected or called for redemption in whole or in part.

The Bonds maturing on or before August 1, 20\_\_ are not subject to redemption. The Bonds maturing on or after August 1, 20\_\_ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part on any date, on or after August 1, 20\_\_, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

The Term Bonds maturing on August 1, 20\_\_\_\_, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Bonds to be so redeemed, the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount
-------------------------------	---------------------

(1)

Total:

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(1) Maturity.

In the event that a portion of the Term Bonds maturing on August 1, 20\_\_ are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order directed by the District and, if not so directed, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal of and interest on the Bonds when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.



**IN WITNESS WHEREOF**, the Orcutt Union School District, Santa Barbara County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the [Secretary to/Clerk of] the Board of Trustees of the District, all as of the date stated above.

**ORCUTT UNION SCHOOL DISTRICT**

By: \_\_\_\_\_ (Facsimile Signature)  
President of the Board of Trustees

**COUNTERSIGNED:**

\_\_\_\_\_  
(Facsimile Signature)  
[Secretary to/Clerk of] the Board of Trustees

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2020.

By: U.S. BANK NATIONAL ASSOCIATION, as Paying  
Agent

\_\_\_\_\_  
Authorized Officer

## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

## LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(Facsimile Signature)  
Secretary to the Board of Trustees

**EXHIBIT B**

**NOTICE INVITING PROPOSALS FOR PURCHASE OF BONDS**

\$ \_\_\_\_\_<sup>\*</sup>  
ORCUTT UNION SCHOOL DISTRICT  
(SANTA BARBARA COUNTY, CALIFORNIA)  
ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B

**NOTICE IS HEREBY GIVEN** that sealed unconditioned proposals will be received to and including the hour of 9:00 a.m., Pacific Daylight Time, on \_\_\_\_\_, 2020, at the offices of Piper Sandler & Co., 2321 Rosecrans Avenue, Suite 3200, El Segundo, California 90245 (the “Municipal Advisor”), in the manner described below, for the purchase of all, but not less than all, of \$ \_\_\_\_\_<sup>\*</sup> principal amount of Orcutt Union School District (Santa Barbara County, California) Election of 2016 General Obligation Bonds, Series B (the “Bonds”). Proposals must be submitted electronically via i-Deal LLC’s (“i-Deal”) Parity Electronic Bid Submission System (“PARITY”), a division of Thomson Information Services, Inc., in the manner described below, for the purchase of all, but not less than all, of \$ \_\_\_\_\_<sup>\*</sup> principal amount of the Bonds. In the event that the sale has not been awarded by the designated time, bids will be received at a subsequent time and date to be determined by the Orcutt Union School District (the “District”) and publicized via the Bond Buyer or the Bond Buyer Wire or Thomson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)).

**I. Issue:**

The Bonds will be dated the date of delivery, will be in the denomination of \$5,000 each, or integral multiples thereof, and will bear interest from the date of delivery of the Bonds to the maturity of each of the Bonds at the rate such that the true interest cost (the “TIC”) shall not exceed \_\_%, with interest payable semiannually on February 1 and August 1 of each year during the term of each of the Bonds, commencing August 1, 2020. The Bonds will mature on August 1 in each of the years set forth in the following schedule:

<u>Maturity Date</u>	<u>Principal Amount*</u>	<u>Maturity Date</u>	<u>Principal Amount*</u>
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<sup>\*</sup> Preliminary, subject to change.

## **II. Option to Elect Term Bonds:**

The purchaser may elect to combine any number of consecutive maturities of Bonds for which an identical interest rate has been specified to comprise term bonds by indicating such an election in their bid. The election to create term bonds in such manner will require the creation of a mandatory sinking fund so that the sinking fund redemption payments shall equal the corresponding serial bond maturity amounts.

## **III. Adjustment of Principal Amounts:**

The estimated principal amount of each maturity of Bonds set forth above reflect certain assumptions of the District and the Municipal Advisor with respect to the likely interest rates of the winning bid or bids. Following the determination of the successful bidder or bidders, the Municipal Advisor, on behalf of the District, reserves the right to increase or decrease the principal amount of each maturity of the Bonds, in \$5,000 increments of principal amount or eliminate maturities in their entirety. Such adjustment shall be made within 26 hours of the bid opening and in the sole discretion of the District, upon recommendation of the Municipal Advisor. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and the successful bid or bids may not be withdrawn, and the successful bidder will not be permitted to change the interest rate(s) in its bid for the Bonds. The percentage compensation to be paid to the successful bidder will not change if the maturity schedule is adjusted.

## **IV. Interest Rates:**

All bids for the purchase of the Bonds must state the rate of interest to be paid for each maturity of Bonds offered and bid price for such Bonds. All Bonds of the same maturity must bear the same rate of interest and no Bond may bear more than one rate. The maximum interest rate bid for each maturity may not exceed \_\_\_\_\_ percent (\_\_\_%), and the TIC may not exceed \_\_\_\_\_ (\_\_\_%). Bidders may specify any number of different rates to be borne on the Bonds; provided that, all interest rates must be in multiples of 1/8 or 1/20 of one percent and a zero rate of interest cannot be specified. Interest will be computed on the basis of a 360-day year consisting of twelve, 30-day months.

## **V. Redemption:**

The Bonds maturing on or before August 1, 20\_\_ are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 20\_\_ are subject to optional redemption prior to their respective stated maturity dates at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20\_\_, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

## **VI. Notice of Redemption:**

Notice of redemption of any Bond will be mailed to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the registration records maintained by U.S. Bank National Association, as the paying agent for the Bonds (the "Paying Agent"); such mailing to be not more than 45 nor less than 20 days prior to the date set for redemption. Neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of Bonds.

## **VII. Costs of Issuance:**

The winning bidder will not be required to pay any costs of issuance associated with the Bonds, except as described in Sections XVII, XXIV and XXX. Such costs of issuance, excluding the winning bidder's compensation, will be paid by the District solely from the aggregate proceeds of the Bonds eligible to be deposited into the Building Fund (as such term is defined in the Preliminary Official Statement) held by Santa Barbara County on behalf of the District. The winning bidder's compensation will be paid by the District from the premium generated from the sale of the Bonds. The District reserves the right to instruct the winning bidder of the Bonds to retain from the premium generated from the sale of the Bonds an amount equal to the winning bidder's compensation. The District further reserves the right to instruct the winning bidder to wire a portion of the purchase price, in an amount not to exceed 2.0% of the principal amount of the Bonds, to U.S. Bank National Association, in its capacity as costs of issuance custodian for the Bonds.

By the submission of its bid pursuant to the provisions hereof, each bidder will be deemed to have represented that its underwriting discount shall not exceed 0.75% of the principal amount of the Bonds.

## **VIII. Premium/Discount Bonds:**

The District has elected to deposit the premium generated from the sale of the Bonds, net of the winning bidder's compensation, into the Debt Service Fund for the Bonds (as such term is defined in the Preliminary Official Statement) established therefor, to be used to pay interest on the Bonds. Premium deposited into the Debt Service Fund may not be used to pay principal of the Bonds. Bidders may not bid a purchase price (calculated as principal plus premium minus the bidder's compensation) of more than \_\_\_% of the aggregate principal amount of the Bonds.

Bidders may not bid a purchase price (calculated as principal plus premium minus the bidder's compensation) of more than \_\_\_% or less than \_\_\_% of the aggregate principal amount of the Bonds.

## **IX. Registration of Bonds as to Principal and Interest and Place of Payment:**

The Bonds, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only, in the denominations of \$5,000 and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Bonds purchased. Principal and interest are payable in lawful money of the United States of America and will be paid to DTC which in turn will remit such amounts to the beneficial owners of the Bonds through DTC's Participants, as described in the Preliminary Official Statement.

## **X. Authority:**

The Bonds will be issued pursuant to the Constitution and laws of the State of California and pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California. The issuance of the Bonds was authorized by the requisite fifty-five percent vote of the qualified electors of the District voting at an election held on November 8, 2016.



## **XI. Security:**

Both the principal of and interest on the Bonds are payable solely from an *ad valorem* property tax levied against all of the property within the District subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates).

## **XII. Form of Bid:**

All bids must be submitted electronically via PARITY, pursuant to the procedures described below, and all such bids shall be deemed to constitute a Bid for Purchase of the Bonds and shall be deemed to incorporate by reference all of the terms and conditions of this Notice Inviting Proposals for Purchase of Bonds. The submission of a bid electronically via PARITY shall constitute and be deemed the bidder's signature on the Bid for Purchase of the Bonds.

## **XIII. Procedures Regarding Electronic Bidding:**

Bids must be submitted electronically via PARITY in accordance with this Notice Inviting Proposals for Purchase of Bonds, until 9:00 a.m., Pacific Daylight Time, on \_\_\_\_\_, 2020, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice Inviting Proposals for Purchase of Bonds, the terms of this Notice Inviting Proposals for Purchase of Bonds shall control. For further information about PARITY, potential bidders may contact the District's Municipal Advisor, Timothy Carty of Piper Sandler & Co. at (310) 702-1530 or [timothy.p.carty@psc.com](mailto:timothy.p.carty@psc.com), or PARITY at i-Deal at (212) 849-5021. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. Once the bids are communicated electronically via PARITY to the District as described herein, each bid will constitute a Bid for Purchase of the Bonds and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice Inviting Proposals for Purchase of Bonds. If a bid submitted electronically via PARITY is accepted by the District, the terms of the Bid for Purchase of the Bonds and the Notice Inviting Proposals for Purchase of Bonds and the information that is electronically transmitted through PARITY (including information about the purchase price of the Bonds, the coupon interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity and any other information included in such transmission) shall form a contract and the successful bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the District, and the District shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the District or information provided by the bidder.

3. The District may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via PARITY's internet site ([www.tm3.com](http://www.tm3.com)) no later than 1:00 P.M. (Pacific Daylight Time) on the last business day prior to the date of sale. In such case, a substitute bidding arrangement will be described in an amended Notice Inviting Proposals for Purchase of Bonds.

4. For purposes of submitting all Bids for Purchase of the Bonds, the time as maintained on PARITY shall constitute the official time. No bid received after the deadline shall be considered. In any case, each bid must be in accordance with the terms and conditions set forth in this official Notice Inviting Proposals for Purchase of Bonds.

5. Each bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with this Notice Inviting Proposals for Purchase of Bonds. Neither the District nor i-Deal shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the District nor i-Deal shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The District is using PARITY as a communication mechanism, and not as the District's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the District harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

**XIV. Estimate of True Interest Cost:**

Bidders are requested (but not required) to supply an estimate of the total true interest cost to the District on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the Board of Trustees of the District.

**XV. Deposit:**

The successful bidder will be required to provide a good faith deposit (the "Deposit") in the form of a wire transfer made payable to

Orcutt Union School District  
in the amount of  
\$ \_\_\_\_\_

prior to the official award. The wire transfer must be transmitted in immediately available funds and sent to the account of the District at the Santa Barbara County Treasurer-Tax Collector at the wire address specified in section XXIII herein, but with the following reference: Orcutt Union SD 2016 GO Bonds, Series B Good Faith Deposit. The Municipal Advisor will request the apparent winning bidder to immediately wire the Deposit (as provided in Section XXIII herein) and provide the Federal wire reference number of such Deposit to the Municipal Advisor within 90 minutes of such request by the Municipal Advisor. The Bonds will not be officially awarded to a bidder who has not submitted a Deposit in the form of a wire transfer, together with its Federal wire reference number, as provided above.

No interest on the Deposit will accrue to any bidder. The Deposit (without accruing interest) of the winning bidder will be applied to the purchase price of the Bonds. In the event the winning bidder fails to honor its accepted bid, the Deposit plus any interest accrued on the Deposit will be retained by the District. Any investment income earned on the Deposit will be paid to the successful bidder in the event the District is unable to deliver the Bonds. Deposits accompanying bids other than the bid which is accepted will be returned promptly upon the determination of the best bidder.

**XVI. Qualification for Sale; Blue Sky:**

The purchaser will assume responsibility for taking any action necessary to qualify the Bonds for offer and sale in jurisdictions other than California, and for complying with the laws of all jurisdictions on resale of the Bonds, and shall indemnify, defend and hold harmless the District and their respective officers and officials from any loss or damage resulting from any failure to comply with any such law. Compliance with Blue Sky Laws shall be the sole responsibility of the purchaser, and the purchaser shall

pay all fees and disbursements related to the qualification of the bonds for sale under the securities or Blue Sky laws of various jurisdictions. The District will furnish such information and take such action not inconsistent with law as the purchaser may request and the District shall deem necessary or appropriate to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the purchaser, provided, however, that the District shall not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. The purchaser will not offer to sell, or solicit any offer to buy, the Bonds in any jurisdiction where it is unlawful for such purchaser to make such offer, solicitation or sale, and the purchaser shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions.

#### **XVII. CUSIP Numbers and Other Fees:**

CUSIP numbers will be applied for and will be printed on the Bonds and the cost of printing thereof and service bureau assignment will be the purchaser's responsibility. Any delay, error or omission with respect thereto will not constitute cause for the purchaser to refuse to accept delivery of and pay for the Bonds. The successful bidder shall also be required to pay all fees required by The Depository Trust Company, Bond Market Association, Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the issuance of the Bonds (see, "—California Debt and Investment Advisory Commission" below).

#### **XVIII. Legal Opinion:**

The Bonds are sold with the understanding that the purchaser will be furnished with the approving opinion of Bond Counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. A copy of the opinion will be attached to the Bonds. Said attorneys have been retained by the District as Bond Counsel and in such capacity are to render their opinion only upon the legality of the Bonds under State of California law and on the exemption of the interest income on such Bonds from federal and State of California income taxes. Fees of Bond Counsel will be paid by the District from the costs of issuance.

#### **XIX. Tax-Exempt Status:**

In the opinion of Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

Taxpayers considering an investment in the Bonds that are classified as corporations for federal income tax purposes should consult their tax advisors regarding the application of the corporate alternative minimum tax to any investment in the Bonds.

Should changes in the law cause Bond Counsel's opinion to change prior to delivery of the Bonds to the purchaser, the purchaser will be relieved of its responsibility to pick up and pay for the Bonds, and in that event its Deposit will be returned.

## **XX. Establishment of Issue Price**

(a) The winning bidder shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel, including, but not limited to, modifications in the event that the Competitive Sale Requirements (defined below) are not satisfied. All actions to be taken by the District under this Notice Inviting Proposals for Purchase of Bonds (this “Notice Inviting Proposals”) to establish the issue price of the Bonds may be taken on behalf of the District by the Municipal Advisor and any notice or report to be provided to the District may be provided to the Municipal Advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “Competitive Sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

- (1) the District shall disseminate this Notice Inviting Proposals to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Notice Inviting Proposals.

Any bid submitted pursuant to this Notice Inviting Proposals shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the District shall so advise the winning bidder. The District shall treat the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the District if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The District will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% Test in order to establish the issue price of the Bonds.

(d) If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the District

the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

(e) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(f) Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice Inviting Proposals. Further, for purposes of this Notice Inviting Proposals:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and



- (4) “sale date” means the date that the Bonds are awarded by the District to the winning bidder.

**XXI. Award:**

If the Bonds are awarded on the date of sale, the Bonds will be awarded to the responsible bidder submitting the best responsive bid, considering the coupon interest rate or rates and the purchase price specified in the bid. The best bid will be the bid that conforms with the provisions of this Notice Inviting Proposals for Purchase of Bonds and represents the lowest TIC to the District for the Bonds, taking into consideration the interest rate specified, and premium thereon, if any. The TIC is the discount rate that, when compounded semiannually and used to discount all debt service payments on the Bonds back to the date of delivery of such Bonds, results in an amount equal to the purchase price bid for said Bonds. In the event that two or more bidders offer bids for the Bonds at the same lowest TIC, the District will determine by lottery which bidder will be awarded the Bonds. For the purpose of calculating the TIC, the mandatory sinking fund payments, if any, shall be treated as serial maturities in such years. The determination of the bid representing the lowest TIC will be made without regard to any adjustments made or contemplated to be made after the award by the Municipal Advisor on behalf of the District, as described herein under “Adjustment of Principal Amounts,” even if such adjustments have the effect of raising the TIC of the successful bid to a level higher than the bid containing the next lowest TIC prior to adjustment.

**XXII. Prompt Award:**

The Assistant Superintendent of Business Services of the District, or his or her designee, will take action awarding the Bonds or rejecting all bids not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of bid proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

**XXIII. Delivery:**

Delivery of the Bonds will be made to the purchaser through DTC upon payment of the purchase price in federal funds payable to or for the account of the District at the Santa Barbara County Treasurer-Tax Collector, per the wire instructions below. Wire Transfer to:

Bank:  
ABA#:  
Credit:  
Account Number:  
Reference: Orcutt Union SD  
Election of 2016 GO Bonds, Series B  
Attn:

The Closing will take place at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, 44 Montgomery Street, Suite 4200, San Francisco, California 94104, or at the purchaser's request and expense, at any other place mutually agreeable to both the District and the purchaser, on \_\_\_\_\_, 2020.

#### **XXIV. California Debt and Investment Advisory Commission:**

The successful bidder will be required, pursuant to State of California law, to pay any fees to the California Debt and Investment Advisory Commission (“CDIAC”). CDIAC will invoice the successful bidder after the closing of the Bonds.

#### **XXV. No Litigation and Non-Arbitrage:**

The District will deliver a certificate stating that no litigation is pending affecting the issuance and sale of the Bonds. The District will also deliver an arbitration certificate covering its reasonable expectations concerning the Bonds and the use of proceeds thereof.

#### **XXVI. Official Statement:**

The District will make available a Preliminary Official Statement relating to the Bonds, a copy of which, along with related documents, will be furnished upon request made to Piper Sandler & Co., 2321 Rosecrans Avenue, Suite 3200, El Segundo, California 90245, Attn: Timothy Carty, timothy.p.carty@psc.com, the District’s Municipal Advisor, or telephoned to said Municipal Advisor at (310) 702-1530. Such Preliminary Official Statement, together with any supplements thereto, shall be in a form “deemed final” by the District for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final version thereof (the “Official Statement”).

Each bidder must read the entire Preliminary Official Statement prior to bidding on the Bonds, to obtain information essential to the making of an informed decision to bid. This Notice Inviting Proposals for Purchase of Bonds contains certain information for general reference only, and is not a complete summary of the issue. The Internet posting of the Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the securities described in the Preliminary Official Statement, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Copies of the Official Statement will be made available to the purchaser without charge, up to an amount of 10 copies, within seven business days of the date of sale and additional copies will be made available upon request at the purchaser’s expense.

The District will deliver, at the closing, a certificate executed by an authorized officer of the District, acting in their official capacity, to the effect that the Official Statement does not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

The District undertakes that for a certain period of up to twenty-five (25) days following the end of the “underwriting period” as defined in Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934 (the “Rule”), it will (i) apprise the winning bidder if any event shall occur, or information comes to the attention of the District that, in the reasonable judgment of the District, is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (ii) if requested by the winning bidder, prepare a supplement to the final Official Statement with respect

to such event or information. The District will presume, unless notified in writing by the winning bidder, that the end of the underwriting period will occur on the date of the delivery of the Bonds. By making a bid on the Bonds, the winning bidder agrees (i) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements prepared by the District, and to file a copy of the final Official Statement, including any supplements prepared by the District, with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) system (as provided by the Rule) within one business day after receipt thereof from the District or its designee, but in any event, no later than the date of closing and (ii) to take any and all other actions necessary to comply with the applicable rules of the Securities and Exchange Commission and the MSRB governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

#### **XXVII. Continuing Disclosure:**

In order to assist bidders in complying with the Rule, the District will undertake in a Continuing Disclosure Certificate to provide certain annual financial information and notices of the occurrence of events enumerated therein. A description of this undertaking and a form of the Continuing Disclosure Certificate are included in the Preliminary Official Statement.

#### **XXVIII. Rating:**

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC has assigned to the Bonds the rating shown on the cover page of the Preliminary Official Statement or, if not so indicated, will be available upon request from the Municipal Advisor. Such rating reflects only the views of such organization and an explanation of the significance of such rating may be obtained from such agency as follows: S&P Global Ratings, 55 Water Street, New York, New York 10041. There is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

#### **XXIX. Right to Cancel, Postpone, or Reschedule Sale:**

The District reserves the right to cancel, postpone or reschedule the sale of the Bonds upon notice given through the Bloomberg News Service, Thomson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)) or *The Bond Buyer* not later than 1:00 p.m. (Pacific Daylight Time) on the day prior to the date bids are to be received. If the sale is postponed, bids will be received at the place set forth above, at the date and time as the District shall determine. Notice of the new sale date and time, if any, will be given through Bloomberg News Service, Thomson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)) or *The Bond Buyer* no later than twenty-three (23) hours prior to the new time bids are to be received. As an accommodation to bidders, telephone or fax notice of the postponement of the sale date and of the new sale date will be given to any bidder requesting such notice from the Municipal Advisor. Failure of any bidders to receive such notice shall not affect the legality of the sale.

#### **XXX. Municipal Bond Insurance; Bidder’s Option:**

The District has applied to certain bond insurance companies for a commitment to issue a municipal bond insurance policy insuring the scheduled payment of principal of and interest on the Bonds when due. Information concerning the availability of municipal bond insurance may be obtained by

contacting the Municipal Advisor, Piper Sandler & Co., as described below. In the event the District obtains a commitment for municipal bond insurance, each bidder has the option to elect whether such insurance policy will be issued and whether such insurance policy will be issued with respect to all or a portion of the Bonds. If the winning bidder elects to obtain a policy of municipal bond insurance, the premium for such insurance and the costs of any related ratings will be paid by the bidder, and the District will have no responsibility for payment of such premium and costs.

**XXXI. Additional Information:**

Copies of the Notice Inviting Proposals for Purchase of Bonds, and the Preliminary Official Statement relating to the Bonds will be furnished to any bidder upon request made to Piper Sandler & Co., Attn: Timothy Carty, phone: (310) 702-1530, [timothy.p.carty@psc.com](mailto:timothy.p.carty@psc.com), the Municipal Advisor to the District.

Dated: \_\_\_\_\_, 2020

ORCUTT UNION SCHOOL DISTRICT

By:\_\_\_\_\_

EXHIBIT A

\$ \_\_\_\_\_  
ORCUTT UNION SCHOOL DISTRICT  
(Santa Barbara County, California)  
Election of 2016 General Obligation Bonds, Series B

CERTIFICATE OF THE PURCHASER

The undersigned, on behalf of \_\_\_\_\_, hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by \_\_\_\_\_ are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by \_\_\_\_\_ in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by \_\_\_\_\_ to purchase the Bonds.

(b) \_\_\_\_\_ was not given the opportunity to review other bids prior to submitting its bid.<sup>1</sup>

(c) The bid submitted by \_\_\_\_\_ constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2020

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the

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<sup>1</sup> Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.



Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents \_\_\_\_\_'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Orcutt Union School District (the "District") with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling, Yocca, Carlson & Rauth, a Professional Corporation, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

\_\_\_\_\_, as Underwriter

By: \_\_\_\_\_

—

Name: \_\_\_\_\_

—

Dated: \_\_\_\_\_, 2020

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**  
*(Attached)*

**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**  
*(Attached)*

## EXHIBIT C

### NOTICE OF INTENTION TO SELL

\$ \_\_\_\_\_ \*

ORCUTT UNION SCHOOL DISTRICT  
(Santa Barbara County, California)  
Election of 2016 General Obligation Bonds, Series B

**NOTICE IS HEREBY GIVEN** that the Orcutt Union School District (the “District”), in Santa Barbara County, California, intends to offer for public sale on \_\_\_\_\_, 2020, at the hour of 9:00 a.m. Pacific Daylight Time, at the office of Piper Sandler & Co., 2321 Rosecrans Avenue, Suite 3200, El Segundo, California 90245 not to exceed \$ \_\_\_\_\_ \* principal amount of general obligation bonds of the District designated “Orcutt Union School District (Santa Barbara County, California) Election of 2016 General Obligation Bonds, Series B” (the “Bonds”). Within 26 hours, the Superintendent or Assistant Superintendent of Business Services of the District will consider the bids received and, if acceptable bids are received, which comply with the provisions of the Notice Inviting Proposals for Purchase of the Bonds described below, award the sale of the Bonds on the basis of the true interest cost. In the event that no bids are awarded by the designated time, proposals will be received at a subsequent time and date to be determined by the District and publicized via PARITY, the Bond Buyer Wire, or Thomson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)).

**NOTICE IS HEREBY FURTHER GIVEN** that the Bonds will be offered for public sale subject to the terms and conditions of the Notice Inviting Proposals for Purchase of the Bonds, dated \_\_\_\_\_, 2020 (the “Notice Inviting Proposals for Purchase of Bonds”). Copies of the Preliminary Official Statement and Notice Inviting Proposals for Purchase of Bonds will be furnished upon request made to Piper Sandler & Co., 2321 Rosecrans Avenue, Suite 3200, El Segundo, California 90245, Attn: Timothy Carty, phone: (310) 702-1530, e-mail: [timothy.p.carty@psc.com](mailto:timothy.p.carty@psc.com), the Municipal Advisor to the District for the Bonds.

Dated: \_\_\_\_\_, 2020

ORCUTT UNION SCHOOL DISTRICT

By: \_\_\_\_\_  
Assistant Superintendent of Business Services

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\* Preliminary, subject to change.

**NEW ISSUE—FULL BOOK-ENTRY**

**RATING: S&P: “[AA-]”**  
**(See “MISCELLANEOUS – Rating” herein)**

*In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein with respect to tax consequences relating to the Bonds.*

**ORCUTT UNION SCHOOL DISTRICT**  
**(Santa Barbara County, California)**

\$ \_\_\_\_\_ \*  
**Election of 2016 General Obligation Bonds, Series B**  
**(Tax-Exempt)**

\$ \_\_\_\_\_ \*  
**2020 General Obligation Refunding Bonds**  
**(Federally Taxable)**

**Dated: Date of Delivery**

**Due: February 1 and August 1, as shown herein**

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used but not otherwise defined on this cover page shall have the meanings assigned to such terms herein.*

The Orcutt Union School District (Santa Barbara County, California) Election of 2016 General Obligation Bonds, Series B (the “Series B Bonds”) were authorized at an election of the registered voters of the Orcutt Union School District (the “District”) held on November 8, 2016, at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$60,000,000 principal amount of general obligation bonds of the District. The Series B Bonds are being issued by the District to (i) finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities and (ii) pay the costs of issuance of the Series B Bonds. The Series B Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of Santa Barbara County (the “County Board”) is empowered and obligated to levy *ad valorem* taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series B Bonds when due.

The Orcutt Union School District (Santa Barbara County, California) 2020 General Obligation Refunding Bonds (Federally Taxable) (the “Refunding Bonds,” and together with the Series B Bonds, the “Bonds”) are being issued by the District to (i) advance refund certain of the District’s outstanding Prior Bonds and (ii) pay the costs of issuing the Refunding Bonds. The Refunding Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The County Board is empowered and obligated to levy *ad valorem* taxes, without limitation as to rate or amount, upon all property within the former boundaries of the District, prior to the annexation of the territories of the former Casmalia School District and the former Los Alamos School District, subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Refunding Bonds when due.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (collectively referred to herein as “DTC”). Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interest in the Bonds. The Bonds will be dated as of their date of initial delivery (the “Date of Delivery”) and will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery and be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2020. The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association, as the designated Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds. See “THE BONDS – Book-Entry Only System” herein.

**The Bonds are subject to optional redemption and mandatory sinking fund redemption as further described herein.\***

**Maturity Schedule**  
 (see inside front cover page)

*Pursuant to the terms of a public sale on \_\_\_\_\_, 2020, the Bonds were awarded to the Underwriter at a True-Interest Cost of \_\_\_\_\_. The Bonds are being offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Stradling Yocca Carlson & Rauth, a Professional Corporation is also acting as Disclosure Counsel to the District. The Bonds, in book-entry form, will be available through the facilities of The Depository Trust Company in New York, New York, on or about \_\_\_\_\_, 2020.*

Dated: \_\_\_\_\_, 2020.

## MATURITY SCHEDULE\*

\$ \_\_\_\_\_  
**ORCUTT UNION SCHOOL DISTRICT**  
**(Santa Barbara County, California)**  
**Election of 2016 General Obligation Bonds, Series B**  
**(Tax-Exempt)**

Base CUSIP<sup>(†)</sup>:

\$ \_\_\_\_\_ Serial Bonds

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(†)</sup></u>
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\$ \_\_\_\_\_ – \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_ %; CUSIP<sup>(†)</sup>:

\* Preliminary, subject to change.

<sup>(†)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by S&P Capital IQ on behalf of The American Bankers Association. These data are not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. None of the District, the Municipal Advisor or the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.



## MATURITY SCHEDULE\*

\$ \_\_\_\_\_  
**ORCUTT UNION SCHOOL DISTRICT**  
**(Santa Barbara County, California)**  
**2020 General Obligation Refunding Bonds**  
**(Federally Taxable)**

**Base CUSIP<sup>(†)</sup>:**

\$ \_\_\_\_\_ **Serial Bonds**

<u>Maturity</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(†)</sup></u>
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\* Preliminary, subject to change.

<sup>(†)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CGS, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriters, the Municipal Advisor or the District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriters and are included solely for the convenience of the registered owners of the applicable Bonds. None of the District, the Municipal Advisor or the Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein, other than that provided by the District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.”

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The District maintains a website and certain social media accounts. However, the information presented on the District’s website is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

## **ORCUTT UNION SCHOOL DISTRICT**

### **BOARD OF TRUSTEES**

Liz Phillips, *President*  
Melanie Waffle, *Clerk*  
Shaun Henderson, *Member*  
Lisa Morinini, *Member*  
Mark Steller, *Member*

### **DISTRICT ADMINISTRATION**

Dr. Deborah Blow, *Superintendent*<sup>(1)</sup>  
William Young, *Assistant Superintendent of Business Services*

### **PROFESSIONAL SERVICES**

#### **BOND COUNSEL AND DISCLOSURE COUNSEL**

Stradling Yocca Carlson & Rauth, a Professional Corporation  
*San Francisco, California*

#### **MUNICIPAL ADVISOR**

Piper Sandler & Co.  
*El Segundo, California*

#### **PAYING AGENT AND ESCROW AGENT**

U.S. Bank National Association  
*Los Angeles, California*

#### **ESCROW VERIFICATION**

Causey Demgen & Moore, PC  
*Denver, Colorado*

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<sup>(1)</sup> Dr. Blow has announced her intention to retire as of June 30, 2020. The District has initiated a process to search for her replacement.

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**ORCUTT UNION SCHOOL DISTRICT**  
**(Santa Barbara County, California)**

\$ \_\_\_\_\_\*  
**Election of 2016 General Obligation Bonds,**  
**Series B (Tax-Exempt)**

\$ \_\_\_\_\_\*  
**2020 General Obligation Refunding Bonds**  
**(Federally Taxable)**

**INTRODUCTION**

This Official Statement, which includes the cover page, inside cover pages and appendices hereto, provides information in connection with the sale of the (i) Orcutt Union School District (Santa Barbara County, California) Election of 2016 General Obligation Bonds, Series B (the “Series B Bonds”) and (ii) Orcutt Union School District (Santa Barbara County, California) 2020 General Obligation Refunding Bonds (the “Refunding Bonds,” and together with the Series B Bonds, the “Bonds”).

*This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.*

**General**

The Orcutt Union School District (the “District”) is located in northern Santa Barbara County (the “County”), on the central coast between Los Angeles and San Francisco. Originally established in 1884, the District now covers an area of approximately 222.3 square miles. The District serves students from unincorporated portions of the County in the suburbs of the City of Santa Maria, including the unincorporated communities of Orcutt, Casmalia and Los Alamos. The District operates five elementary schools serving kindergarten through sixth grade, one elementary school serving kindergarten through eighth grade, two junior high schools serving grades seven and eight, and one affiliated charter school operated by the District serving kindergarten through grade twelve. For fiscal year 2019-20, the District’s average daily attendance (“ADA”) is projected to be \_\_\_\_\_ students. This latter figure does include students attending the District-sponsored charter school.

Effective July 1, 2008, pursuant to reorganization proceedings conducted by the Santa Barbara County Board of Education (the “SBCBOE”), the District and the Casmalia School District merged, and the territory of the former Casmalia School District (the “Casmalia Territory”) was transferred into the territory of the District. Pursuant to additional reorganization proceedings conducted by the SBCBOE, effective July 1, 2011, the District and the Los Alamos School District merged, and the territory of the former Los Alamos School District (the “Los Alamos Territory”) was transferred into the territory of the District. The territory of the District as it existed prior to the transfer and annexation of the Casmalia Territory and the Los Alamos Territory is referred to herein as the “Original Orcutt Territory.”

For fiscal year 2019-20, taxable property within the District has an assessed valuation of \$5,316,958,198, and taxable property within the Original Orcutt Territory has an assessed valuation of \$4,751,474,911.

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\* Preliminary, subject to change.



The District is governed by a five-member Board of Trustees (the “Board”), each member of which is elected to a four-year term. Elections for positions on the Board are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District’s other key personnel. Dr. Deborah Blow is currently the District’s Superintendent. Dr. Blow has announced her intention to retire as of June 30, 2020. The District has begun a process for selecting a new Superintendent.

For more information regarding the District generally, see “DISTRICT FINANCIAL INFORMATION” and “ORCUTT UNION SCHOOL DISTRICT” herein, and for more information regarding the assessed valuation of property within the District and the Original Orcutt Territory, see “TAX BASES FOR REPAYMENT OF BONDS” herein. The District’s audited financial statements for fiscal year ending June 30, 2019 are attached hereto as APPENDIX B and should be read in their entirety.

### **Purposes of the Bonds**

***Series B Bonds.*** The Series B Bonds are being issued by the District to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuance thereof.

***Refunding Bonds.*** The Refunding Bonds are being issued by the District to (i) advance refund a portion of the District’s outstanding 2012 General Obligation Refunding Bonds, Series A (the “Prior Bonds”), and (ii) pay the costs of issuance thereof.

See “THE BONDS – Application and Investment of Bond Proceeds – Bonds” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

### **Authority for Issuance of the Bonds**

The Bonds are issued pursuant to certain provisions of the California Government Code and pursuant to resolutions adopted by the Board on April 8, 2020. See “THE BONDS – Authority for Issuance” herein.

### **Sources of Payment for the Bonds**

***Series B Bonds.*** The Series B Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The County Board (the “County Board”) is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series B Bonds when due.

***Refunding Bonds.*** The Refunding Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The County Board is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the Original Orcutt Territory subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Refunding Bonds when due.

See “THE BONDS – Security and Sources of Payment” and “TAX BASES FOR REPAYMENT OF BONDS” herein.

## Description of the Bonds

**Form and Registration.** The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (the “DTC”), who will act as securities depository for the Bonds. See “THE BONDS – General Provisions” and “THE BONDS – Book-Entry Only System” herein. Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds purchased. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolutions (as defined herein). See “THE BONDS – Discontinuation of Book-Entry Only System; Registration, Exchange and Transfer of Bonds” herein.

**So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the “Owners,” “Bondowners” or “Holders” of the Bonds (other than under the caption “TAX MATTERS” and in APPENDIX A) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.**

**Denominations.** Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of \$5,000 principal amount, or any integral multiple thereof.

**Redemption.\*** The Bonds are subject to optional redemption and mandatory sinking fund redemption prior to their stated maturity dates as further described herein. See “THE BONDS – Redemption” herein.

**Payments.** The Bonds will be dated as of the date of their initial delivery (the “Date of Delivery”). Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each February 1 and August 1, commencing August 1, 2020 (each, a “Bond Payment Date”). Principal of the Bonds is payable on February 1 (with respect to the Refunding Bonds) and August 1 (with respect to the Series B Bonds), in the amounts and years as shown on the inside cover pages hereof. Payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association, as the paying agent, registrar and transfer agent for the Bonds (the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants (as defined herein) to the Beneficial Owners of the Bonds.

## Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein.

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\* Preliminary, subject to change.

## **Offering and Delivery of the Bonds**

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about \_\_\_\_\_, 2020.

## **Bond Owner's Risks**

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes which may be levied on all taxable property in the District and the Original Orcutt Territory, as applicable, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District and the Original Orcutt Territory, and certain other considerations see "TAX BASES FOR REPAYMENT OF BONDS," and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

## **Continuing Disclosure**

The District has covenanted that it will comply with and carry out the provisions of that certain Continuing Disclosure Certificate relating to the Bonds. Pursuant thereto, the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). The specific nature of the information to be made available and of the notices of listed events is summarized below under "LEGAL MATTERS – Continuing Disclosure" herein and "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

## **Professionals Involved in the Offering**

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Piper Sandler & Co., El Segundo, California, is acting as Municipal Advisor to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation and Piper Sandler & Co. will each receive compensation from the District contingent upon the sale and delivery of the Bonds. In addition to acting as Paying Agent, U.S. Bank National Association will act as Escrow Agent (defined herein) for the Prior Bonds. From time to time, Bond Counsel represents Piper Sandler & Co. on matters unrelated to the Bonds or the District.

## **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Orcutt Union School District, 500 Dyer Street, Orcutt, California 93455, telephone: (805) 938-8900. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to each such documents, statutes and constitutional provisions.

The information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolutions.

## **THE BONDS**

### **Authority for Issuance**

**Series B Bonds.** The Bonds are being issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, Article XIII A of the State Constitution and pursuant to a resolution of the District Board adopted on April 8, 2020 and relating to the Series B Bonds (the “Series B Resolution”).

The District received authorization at an election held on November 8, 2016, by the requisite 55% or more of the votes cast by eligible voters of the District to issue \$60,000,000 aggregate principal amount of general obligation bonds (the “2016 Authorization”). The Bonds are the second series of bonds issued under the 2016 Authorization, and, following the issuance thereof, \$\_\_\_\_\_ of the 2016 Authorization will remain unissued.

**Refunding Bonds.** The Refunding Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and pursuant to a resolution of the Board relating to the Refunding Bonds adopted on April 8, 2020 (the “Refunding Resolution,” and together with the Series B Resolution, the “Resolutions”).

### **Security and Sources of Payment**

**Series B Bonds.** The Series B Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The County Board is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series B Bonds when due.

**Refunding Bonds.** The Refunding Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The County Board is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the

Original Orcutt Territory subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Refunding Bonds when due.

**General.** *Ad valorem* property taxes will be levied annually in addition to all other taxes in an amount sufficient to pay the principal of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. While the County has historically levied *ad valorem* property taxes to establish such a reserve for other bonds of the District, the County is not obligated to establish or maintain such a reserve for the Bonds, and the District can make no representations that the County will do so in future years. Such taxes, when collected, will be placed by the County in the respective Debt Service Funds (defined herein) established by the Resolutions, which funds are required to be segregated and maintained by the County and which are designated for the payment of the series of Bonds to which such fund relates, and interest thereon when due, and for no other purpose. Pursuant to the Resolutions, the District has pledged funds on deposit in the Debt Service Funds to the payment of the respective series of the Bonds to which such fund relates. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Debt Service Funds, the Bonds are not a debt of the County.

Moneys in the Debt Service Funds, to the extent necessary to pay the principal of and interest on the series of Bonds to which such fund relates, as the same becomes due and payable, will be transferred by the County to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The amount of the annual *ad valorem* property taxes levied by the County to repay the Bonds as described above will be determined by the relationship between the assessed valuation of taxable property in the District and the Original Orcutt Territory, as applicable, and the amount of debt service due on the respective series of the Bonds in any year. Fluctuations in the assessed value of taxable property in the District or the Original Orcutt Territory may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land values, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, wildfire, drought, outbreak of disease or toxic contamination, could cause a reduction in the assessed value of taxable property within the District or the Original Orcutt Territory and necessitate a corresponding increase in the respective annual tax rates for the Bonds. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution" and "TAX BASES FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

### **Statutory Lien**

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties

asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

## **General Provisions**

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. See “—Book-Entry Only System” herein. Beneficial Owners will not receive certificates representing their interest in the Bonds. The Bonds will be dated as of the Date of Delivery.

Interest on the Bonds accrues from the Date of Delivery and is payable semiannually on each Bond Payment Date, commencing August 1, 2020. Interest on the Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Bond will bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2020, in which event it will bear interest from the Date of Delivery. The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof, and mature on February 1 (with respect to the Refunding Bonds) and August 1 (with respect to the Series B Bonds), in the years and amounts set forth on the inside cover pages hereof.

Payment of interest on any Bond on any Bond Payment Date will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the 15<sup>th</sup> day of the month immediately preceding such Bond Payment Date (the “Record Date”), such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal of and redemption premiums, if any, payable on the Bonds will be payable upon maturity upon surrender at the principal office of the Paying Agent. The principal of, and interest, and redemption premiums, if any, on the Bonds will be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered owner of the Bonds.



## Annual Debt Service

The following tables display the annual debt service requirements of the District for each series of the Bonds (assuming no optional redemptions):

Series B Bonds			
<u>Year Ending August 1</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	<u>Total Annual Debt Service Payment</u>

Refunding Bonds			
<u>Year Ending February 1</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	<u>Total Annual Debt Service Payment</u>

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<sup>(1)</sup> Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2020.

See “ORCUTT UNION SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds” herein for a full table of the annual debt service requirements for the District’s outstanding general obligation bonded debt.

### **Application and Investment of Bond Proceeds**

***Series B Bonds.*** The Series B Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) to pay the costs of issuing the Series B Bonds.

The net proceeds from the sale of the Series B Bonds will be paid to the County treasury to the credit of the building fund (the “Building Fund”) created by the Series B Resolution, and shall be accounted for separately from all other District and County funds. Any accrued interest or premium received by the County from the sale of the Series B Bonds will be paid to the County treasury, to the credit of the debt service fund created by the Series B Resolution (the “Series B Debt Service Fund”) and used only for payment of principal of and interest on the Series B Bonds, and for no other purpose. Any excess proceeds of the Series B Bonds not needed for the authorized purposes for which the Series B Bonds are being issued shall be transferred to the Series B Debt Service Fund. If, after payment in full of the Series B Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District as permitted by law.

***Refunding Bonds.*** The Refunding Bonds are being issued to (i) advance refund certain of the Prior Bonds, as further described below (so refunded, the “Refunded Bonds”), and (ii) pay the costs of issuing the Refunding Bonds.

The net proceeds from the sale of the Refunding Bonds will be deposited with U.S. Bank National Association, as Escrow Agent, to the credit of an escrow fund (the “Escrow Fund”) held pursuant to that certain Escrow Agreement, dated as of \_\_\_\_\_ 1, 2020, by and between the District and the Escrow Agent. Amounts deposited in the Escrow Fund will be used to purchase certain non-callable direct and general obligations of the United States of America, or non-callable obligations the payment of which is unconditionally guaranteed by the United States of America (collectively, the “Federal Securities”), the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the redemption price of the Refunded Bonds on the first optional redemption date therefor, as well as the interest due on the Refunded Bonds on and prior to such date.

The tables below show information on the specific maturities of the Refunded Bonds.

**REFUNDED BONDS\***  
**Orcutt Union School District**  
**2012 General Obligation Refunding Bonds, Series A**

<b><u>Maturity Date</u></b> <b><u>(February 1)</u></b>	<b><u>CUSIP</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Outstanding</u></b> <b><u>Principal to</u></b> <b><u>be Refunded</u></b>	<b><u>Redemption</u></b> <b><u>Date</u></b>	<b><u>Redemption Price</u></b> <b><u>(% of Principal Amount)</u></b>
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The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to refund the Refunded Bonds as described above will be verified by Causey Demgen & Moore P.C., as the verification agent (the "Verification Agent"). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the computations of the Underwriter and the Verification Agent, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* property taxes for payment thereof will terminate.

Any accrued interest received by the County from the sale of the Refunding Bonds will be paid to the County treasury, to the credit of the debt service fund created by the Refunding Resolution (the "Refunding Debt Service Fund," and together with the Series B Debt Service Fund, the "Debt Service Funds") and used only for payment of principal of and interest on the Refunding Bonds, and for no other purpose.

***Investment of Proceeds.*** Funds on deposit in the Escrow Fund will be invested as described above. Moneys in the Building Fund and Debt Service Funds will be invested through the County's pooled investment fund. See "APPENDIX E – SANTA BARBARA COUNTY INVESTMENT POOL" attached hereto.

## **Redemption**

***Optional Redemption.\**** The Series B Bonds maturing on or before August 1, 20\_\_ are not subject to optional redemption prior to their respective stated maturity dates. The Series B Bonds maturing on or after August 1, 20\_\_ are subject to optional redemption prior to their respective stated maturity dates at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20\_\_, at a redemption price equal to the principal amount of the Series B Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The Refunding Bonds maturing on or before February 1, 20\_\_ are not subject to optional redemption prior to their respective stated maturity dates. The Refunding Bonds maturing on or after February 1, 20\_\_ are subject to optional redemption prior to their respective stated maturity dates at the option of the District, from any source of available funds, as a whole or in part, on any date on or after

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\* Preliminary, subject to change.

February 1, 20\_\_, at a redemption price equal to the principal amount of the Refunding Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

***Mandatory Sinking Fund Redemption.***\* The Series B Bonds maturing on August 1, 20\_\_ (the “Term Bonds”), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Term Bonds to be so redeemed, the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount to be Redeemed
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(1) Maturity.

In the event that a portion of the Term Bonds maturing on August 1, 20\_\_ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed.

***Selection of Bonds for Redemption.*** Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select the Bonds for redemption as so directed and if not so directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption as directed by the District, and if not so directed, by lot. Redemption by lot will be in such manner as the Paying Agent will determine; provided, however, that with respect to redemption by lot, the portion of any Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

***Notice of Redemption.*** When optional redemption is authorized or required pursuant to the Resolution, upon written instruction from the District, the Paying Agent will give notice (a “Redemption Notice”) of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice will further state that on the specified date there will become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest thereon will cease to accrue.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, or

(ii) overnight delivery service, to one of the Information Services; and (d) provide such Redemption Notice to such other persons as may otherwise be required pursuant to the Continuing Disclosure Certificate.

“Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

“Securities Depository” means The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

***Conditional Notice of Redemption.*** With respect to any notice of optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds (or portions thereof) shall be deemed to have been defeased as described in “—Defeasance” herein, such notice will state that such redemption will be conditional upon the receipt by an independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, and premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that, if such moneys shall not have been so received, said notice shall be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will, within a reasonable time thereafter (but in no event later than the date originally set for redemption), give notice to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice by written notice to the Paying Agent on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of the rescission of such Redemption Notice in the same manner as such Redemption Notice was originally provided.

***Partial Redemption of Bonds.*** Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like series, tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered (the “Transfer Amount”). Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

***Effect of Notice of Redemption.*** Notice having been given as described above, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as described in “—Defeasance” herein, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, moneys for the redemption of all the Bonds to be redeemed, together with interest accrued to such redemption date, shall be held in trust, so as to be available therefor on such

redemption date, and if a Redemption Notice thereof shall have been given as described above, then from and after such redemption date, interest on the Bonds to be redeemed will cease to accrue and become payable. All money held for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds to be so redeemed.

***Bonds No Longer Outstanding.*** When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity pursuant to the Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof and accrued interest thereon to the date fixed for redemption, then such Bonds will no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the Resolution will be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District will be cancelled by the Paying Agent.

### **Book-Entry Only System**

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter take any responsibility for the accuracy or completeness thereof. The District and the Underwriter cannot and do not give any assurances that DTC, DTC Direct Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of principal of, or interest or premium, if any, on the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered Owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with Participants are on file with DTC.*

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which



are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated "AA+" by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and

dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

#### **Discontinuation of Book-Entry Only System; Registration, Exchange and Transfer of Bonds**

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its principal office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolutions.

*In the event that the book-entry only system as described herein is no longer used with respect to the Bonds, the following provisions will govern the registration, transfer, and exchange of the Bonds.*

The principal of, premium and interest on the Bonds upon the redemption thereof will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the principal trust office of the Paying Agent. Interest on the Bonds will be paid by the Paying Agent by wire to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount thereof) upon presentation and surrender at the principal trust office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations

requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding any Bond Payment Date, the stated maturity of any of the Bonds or any date of selection of Bonds to be redeemed and ending with the close of business on the applicable Bond Payment Date, the close of business on the applicable stated maturity date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

## **Defeasance**

All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts transferred from the respective Debt Service Fund (if any) is sufficient to pay all such Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premium, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, together with interest to accrue thereon and moneys transferred from the respective Debt Service Fund (if any), in such amount as will, together with the interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premium, if any) at or before their maturity date;

then, notwithstanding that any Bonds shall not have been surrendered for payment, all obligations of the District with respect to all outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of the Bonds not so surrendered and paid all sums due with respect thereto.

“Government Obligations” means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations the payment of the principal of and interest on which is secured, guaranteed or otherwise backed by, directly or indirectly, a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed by S&P Global Ratings (“S&P”) or Moody’s Investors Service (“Moody’s”) at least as high as direct or general obligations of the United States of America.

## ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

	<u>Series B Bonds</u>	<u>Refunding Bonds</u>
<b>Sources of Funds</b>		
Principal Amount of Bonds		
[Net] Original Issue Premium		
Total Sources		
<b>Uses of Funds</b>		
Costs of Issuance <sup>(1)</sup>		
Deposit to Building Fund		
Deposit to Series B Debt Service Fund		
Deposit to Escrow Fund		
Total Uses		

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<sup>(1)</sup> Reflects all costs of issuance, including the underwriting discount, legal and Municipal Advisory fees, printing costs, rating agency fees, and the costs and fees of the Paying Agent, Escrow Agent and Verification Agent.

## TAX BASES FOR REPAYMENT OF BONDS

*The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem property taxes levied and collected by the County on taxable property in the District or the Original Orcutt Territory, as applicable, which taxes are unlimited as to rate or amount. The District's general fund is not a source for the repayment of the Bonds.*

### **Ad Valorem Property Taxation**

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as County, city and special district property taxes. Assessed valuations are the same for both District and County taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property is assessed on the "unsecured roll." Unsecured property comprises all property not attached to land, such as personal property or business property. Boats and airplanes are examples of unsecured property. A supplemental roll is developed when property changes ownership or new construction is completed. The County levies and collects all property taxes for property falling within the County's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment, plus any additional amount determined by the tax-collecting authority of the County. After the second installment of taxes on the secured roll is

delinquent, the tax-collecting authority of the County will collect a cost of \$10 for preparing the delinquent tax records and giving notice of the delinquency, plus any other service fees deemed reasonably necessary by the County. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a \$15 redemption fee, any other service fees deemed reasonably necessary by the County, and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the tax-collecting authority of the County.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%, plus any other service fees deemed reasonably necessary by the County. Taxes added to the unsecured tax roll after July 31, if unpaid, are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "— Tax Levies, Collections and Delinquencies" herein.

State law exempts from taxation \$7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property, such as churches, colleges, non-profit hospitals, and charitable institutions.

Assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situation" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and K-14 school districts (as defined herein) share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

### Assessed Valuation of the District

Property within the District has a total assessed valuation for fiscal year 2019-20 of \$5,316,958,198. The following table shows a 10-year history of assessed valuations in the District, as of the date the equalized assessment tax roll is established in August of each year.

**ASSESSED VALUATIONS**  
**Fiscal Years 2010-11 through 2019-20**  
**Orcutt Union School District**

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2010-11	\$3,539,853,693	\$60,200	\$48,679,803	\$3,588,593,696
2011-12	3,579,475,987	60,200	53,031,820	3,632,568,007
2012-13	4,031,817,330	60,200	47,014,362	4,078,891,892
2013-14	4,129,901,254	60,200	53,355,074	4,183,316,528
2014-15	4,335,476,162	60,200	65,565,607	4,401,101,969
2015-16	4,525,654,996	60,200	65,744,577	4,591,459,773
2016-17	4,473,175,798	60,200	65,034,416	4,538,270,414
2017-18	4,768,014,270	28,933	67,646,431	4,835,689,634
2018-19	4,989,802,429	28,933	68,508,325	5,058,339,687
2019-20	5,244,141,153	28,933	72,788,112	5,316,958,198

*Source: California Municipal Statistics, Inc.*

Economic and other factors beyond the District's control, such as a general market decline in real property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, drought, flood, fire, outbreak of disease or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment," as well as "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Local Control Funding Formula – Coronavirus" herein.



***Assessed Valuation of Single Family Homes.*** The following table shows a per-parcel analysis of single family residences within the District, in terms of their fiscal year 2019-20 assessed valuation.

**ASSESSED VALUATION OF SINGLE FAMILY HOMES**  
**Fiscal Year 2019-20**  
**Orcutt Union School District**

	<b>No. of Parcels</b>	<b>2019-20 Assessed Valuation</b>	<b>Average Assessed Valuation</b>	<b>Median Assessed Valuation</b>
Single Family Residential	10,729	\$3,721,224,059	\$346,838	\$330,247

<b>2019-20 Assessed Valuation</b>	<b>No. of Parcels<sup>(1)</sup></b>	<b>% of Total</b>	<b>Cumulative % of Total</b>	<b>Total Valuation</b>	<b>% of Total</b>	<b>Cumulative % of Total</b>
\$0 - \$49,999	105	0.979%	0.979%	\$3,670,244	0.099%	0.099%
\$50,000 - \$99,999	721	6.720	7.699	52,485,097	1.410	1.509
\$100,000 - \$149,999	434	4.045	11.744	54,155,212	1.455	2.964
\$150,000 - \$199,999	813	7.578	19.321	144,520,874	3.884	6.848
\$200,000 - \$249,999	1,360	12.676	31.997	306,812,090	8.245	15.093
\$250,000 - \$299,999	1,217	11.343	43.340	333,425,182	8.960	24.053
\$300,000 - \$349,999	1,186	11.054	54.395	385,433,037	10.358	34.411
\$350,000 - \$399,999	1,339	12.480	66.875	501,087,144	13.466	47.876
\$400,000 - \$449,999	1,025	9.554	76.428	433,730,723	11.656	59.532
\$450,000 - \$499,999	783	7.298	83.726	371,026,827	9.971	69.503
\$500,000 - \$549,999	575	5.359	89.086	301,021,659	8.089	77.592
\$550,000 - \$599,999	386	3.598	92.683	221,445,428	5.951	83.543
\$600,000 - \$649,999	230	2.144	94.827	143,086,399	3.845	87.388
\$650,000 - \$699,999	135	1.258	96.085	90,971,505	2.445	89.833
\$700,000 - \$749,999	108	1.007	97.092	77,775,878	2.090	91.923
\$750,000 - \$799,999	69	0.643	97.735	53,225,567	1.430	93.353
\$800,000 - \$849,999	61	0.569	98.304	50,247,940	1.350	94.703
\$850,000 - \$899,999	41	0.382	98.686	35,827,101	0.963	95.666
\$900,000 - \$949,999	34	0.317	99.003	31,553,158	0.848	96.514
\$950,000 - \$999,999	26	0.242	99.245	25,273,397	0.679	97.193
\$1,000,000 and greater	<u>81</u>	<u>0.755</u>	100.000	<u>104,449,597</u>	<u>2.807</u>	100.000
	10,729	100.000%		\$3,721,224,059	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

**Assessed Valuations and Parcels by Land Use.** The following table shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2019-20 assessed valuation of such parcels.

**ASSESSED VALUATION AND PARCELS BY LAND USE**  
**Fiscal Year 2019-20**  
**Orcutt Union School District**

	<b>2019-20 Assessed Valuation<sup>(1)</sup></b>	<b>% of Total</b>	<b>No. of Parcels</b>	<b>% of Total</b>
<b>Non-Residential:</b>				
Agricultural/Vineyards	\$555,229,313	10.59%	326	2.13%
Commercial/Office	177,512,966	3.38	141	0.92
Vacant Commercial	33,614,623	0.64	71	0.46
Hotel/Motel	12,925,014	0.25	10	0.07
Industrial	24,752,525	0.47	14	0.09
Vacant Industrial	724,568	0.01	11	0.07
Oil & Gas	183,995,568	3.51	104	0.68
Recreational	9,015,633	0.17	44	0.29
Government/Social/Institutional	10,845,740	0.21	66	0.43
Miscellaneous	<u>2,535,632</u>	<u>0.05</u>	<u>176</u>	<u>1.15</u>
Subtotal Non-Residential	\$1,011,151,582	19.28%	963	6.29%
<b>Residential:</b>				
Single Family Residence	\$3,721,224,059	70.96%	10,729	70.13%
Condominium	225,149,639	4.29	1,075	7.03
Mobile Home	63,143,840	1.20	1,587	10.37
Mobile Home Park	33,040,941	0.63	14	0.09
2-4 Residential Units	44,745,045	0.85	139	0.91
5+ Residential Units/Apartments	52,030,670	0.99	18	0.12
Vacant Residential	<u>93,655,377</u>	<u>1.79</u>	<u>773</u>	<u>5.05</u>
Subtotal Residential	\$4,232,989,571	80.72%	14,335	93.71%
<b>Total</b>	<b>\$5,244,141,153</b>	<b>100.00%</b>	<b>15,298</b>	<b>100.00%</b>

<sup>(1)</sup> Local secured assessed valuation; excluding tax-exempt property.  
Source: California Municipal Statistics, Inc.

**Assessed Valuation by Jurisdiction.** The following table shows the fiscal year 2019-20 assessed valuation of the District by jurisdiction.

**ASSESSED VALUATION BY JURISDICTION**  
**Fiscal Year 2019-20**  
**Orcutt Union School District**

<b>Jurisdiction:</b>	<b>Assessed Valuation in District</b>	<b>% of District</b>	<b>Assessed Valuation of Jurisdiction</b>	<b>% of Jurisdiction in District</b>
City of Santa Maria	\$588,046,228	11.06%	\$9,295,636,386	6.33%
Unincorporated Santa Barbara County	<u>4,728,911,970</u>	<u>88.94</u>	39,668,585,549	11.92
Total District	\$5,316,958,198	100.00%		
Santa Barbara County	\$5,316,958,198	100.00%	\$86,974,657,707	6.11%

Source: California Municipal Statistics, Inc.

## Assessed Valuation of the Original Orcutt Territory

Property within the Original Orcutt Territory has a total assessed valuation for fiscal year 2019-20 of \$4,751,474,911. The following table shows a 10-year history of assessed valuations in the Original Orcutt Territory, as of the date the equalized assessment tax roll is established in August of each year.

**ASSESSED VALUATIONS**  
**Fiscal Years 2010-11 through 2019-20**  
**Orcutt Union School District**  
**(Original Orcutt Territory)**

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2010-11	\$3,539,853,693	\$60,200	\$48,679,803	\$3,588,593,696
2011-12	3,579,475,987	60,200	53,031,820	3,632,568,007
2012-13	3,593,933,020	60,200	46,926,240	3,640,919,460
2013-14	3,677,829,890	60,200	49,865,580	3,727,755,670
2014-15	3,855,388,055	60,200	51,360,917	3,906,809,172
2015-16	4,038,339,012	60,200	50,783,966	4,089,183,178
2016-17	4,002,404,230	60,200	50,814,819	4,053,279,249
2017-18	4,263,586,251	28,933	54,055,479	4,317,670,663
2018-19	4,461,714,783	28,933	56,961,055	4,518,704,771
2019-20	4,689,694,136	28,933	61,751,842	4,751,474,911

*Source: California Municipal Statistics, Inc.*

Economic and other factors beyond the District's control, such as a general market decline in real property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, drought, flood, fire, outbreak of disease or toxic contamination, could cause a reduction in the assessed value of taxable property within the Original Orcutt Territory. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Refunding Bonds. See "THE BONDS – Security and Sources of Payment," as well as "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Local Control Funding Formula – Coronavirus" herein.

**Assessed Valuation of Single Family Homes.** The following table shows a per-parcel analysis of single family residences within the Original Orcutt Territory, in terms of their fiscal year 2019-20 assessed valuation.

**ASSESSED VALUATION OF SINGLE FAMILY HOMES**

**Fiscal Year 2019-20  
Orcutt Union School District  
(Original Orcutt Territory)**

	<b>No. of Parcels</b>	<b>2019-20 Assessed Valuation</b>	<b>Average Assessed Valuation</b>	<b>Median Assessed Valuation</b>
Single Family Residential	10,239	\$3,529,074,374	\$344,670	\$328,022

<b>2019-20 Assessed Valuation</b>	<b>No. of Parcels <sup>(1)</sup></b>	<b>% of Total</b>	<b>Cumulative % of Total</b>	<b>Total Valuation</b>	<b>% of Total</b>	<b>Cumulative % of Total</b>
\$0 - \$49,999	73	0.713%	0.713%	\$2,737,811	0.078%	0.078%
\$50,000 - \$99,999	698	6.817	7.530	50,667,947	1.436	1.513
\$100,000 - \$149,999	419	4.092	11.622	52,393,014	1.485	2.998
\$150,000 - \$199,999	791	7.725	19.348	140,758,589	3.989	6.986
\$200,000 - \$249,999	1,327	12.960	32.308	299,364,159	8.483	15.469
\$250,000 - \$299,999	1,176	11.485	43.793	322,163,737	9.129	24.598
\$300,000 - \$349,999	1,147	11.202	54.996	372,864,606	10.566	35.164
\$350,000 - \$399,999	1,309	12.784	67.780	489,924,018	13.883	49.046
\$400,000 - \$449,999	978	9.552	77.332	413,699,305	11.723	60.769
\$450,000 - \$499,999	741	7.237	84.569	351,060,288	9.948	70.716
\$500,000 - \$549,999	498	4.864	89.433	260,796,560	7.390	78.106
\$550,000 - \$599,999	347	3.389	92.822	199,089,169	5.641	83.748
\$600,000 - \$649,999	215	2.100	94.921	133,671,354	3.788	87.535
\$650,000 - \$699,999	122	1.192	96.113	82,197,758	2.329	89.865
\$700,000 - \$749,999	102	0.996	97.109	73,448,034	2.081	91.946
\$750,000 - \$799,999	67	0.654	97.763	51,681,267	1.464	93.410
\$800,000 - \$849,999	56	0.547	98.310	46,158,717	1.308	94.718
\$850,000 - \$899,999	36	0.352	98.662	31,423,805	0.890	95.609
\$900,000 - \$949,999	34	0.332	98.994	31,553,158	0.894	96.503
\$950,000 - \$999,999	25	0.244	99.238	24,291,780	0.688	97.191
\$1,000,000 and greater	78	0.762	100.000	99,129,298	2.809	100.000
	10,239	100.000%		\$3,529,074,374	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

**Assessed Valuations and Parcels by Land Use.** The following table shows a per-parcel analysis of the distribution of taxable property within the Original Orcutt Territory by principal use, and the fiscal year 2019-20 assessed valuation of such parcels.

#### ASSESSED VALUATION AND PARCELS BY LAND USE

**Fiscal Year 2019-20  
Orcutt Union School District  
(Original Orcutt Territory)**

	<b>2019-20 Assessed Valuation <sup>(1)</sup></b>	<b>% of Total</b>	<b>No. of Parcels</b>	<b>% of Total</b>
<b>Non-Residential:</b>				
Agricultural/Vineyards	\$276,240,686	5.89%	215	1.50%
Commercial/Office	166,156,090	3.54	117	0.82
Vacant Commercial	28,007,747	0.60	36	0.25
Hotel/Motel	3,349,398	0.07	4	0.03
Industrial	21,605,609	0.46	11	0.08
Vacant Industrial	724,568	0.02	11	0.08
Oil & Gas	156,525,666	3.34	80	0.56
Recreational	8,914,587	0.19	42	0.29
Government/Social/Institutional	10,845,740	0.23	66	0.46
Miscellaneous	<u>2,534,784</u>	<u>0.05</u>	<u>135</u>	<u>0.94</u>
Subtotal Non-Residential	\$674,904,875	14.39%	717	5.01%
<b>Residential:</b>				
Single Family Residence	\$3,529,074,374	75.25%	10,239	71.52%
Condominium	218,598,460	4.66	1,055	7.37
Mobile Home	61,575,871	1.31	1,480	10.34
Mobile Home Park	30,141,117	0.64	11	0.08
2-4 Residential Units	34,588,521	0.74	107	0.75
5+ Residential Units/Apartments	51,569,115	1.10	14	0.10
Vacant Residential	<u>89,241,803</u>	<u>1.90</u>	<u>694</u>	<u>4.85</u>
Subtotal Residential	\$4,014,789,261	85.61%	13,600	94.99%
Total	\$4,689,694,136	100.00%	14,317	100.00%

<sup>(1)</sup> Local secured assessed valuation; excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

**Assessed Valuation by Jurisdiction.** The following table shows the fiscal year 2019-20 assessed valuation of the Original Orcutt Territory by jurisdiction.

#### ASSESSED VALUATION BY JURISDICTION

**Fiscal Year 2019-20  
Orcutt Union School District  
(Original Orcutt Territory)**

	<b>Assessed Valuation in District</b>	<b>% of District</b>	<b>Assessed Valuation of Jurisdiction</b>	<b>% of Jurisdiction in District</b>
<b>Jurisdiction:</b>				
City of Santa Maria	\$588,046,228	12.38%	\$9,295,636,386	6.33%
Unincorporated Santa Barbara County	<u>4,163,428,683</u>	<u>87.62</u>	\$39,668,585,549	10.50%
Total District	\$4,751,474,911	100.00%		
Santa Barbara County	\$4,751,474,911	100.00%	\$86,974,657,707	5.46%

Source: California Municipal Statistics, Inc.

## Appeals and Adjustments of Assessed Valuation

Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the “SBE”), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIII A. See also “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” herein.

The District does not have information regarding pending appeals of assessed valuation of property within the District or the Original Orcutt Territory. No assurance can be given that property tax appeals currently pending or in the future will not significantly reduce the assessed valuation of property within the District or the Original Orcutt Territory.

**Assembly Bill 102.** On June 27, 2017, the Governor signed into law Assembly Bill 102 (“AB 102”). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District or the Original Orcutt Territory.



## Tax Levies, Collections and Delinquencies

The following tables show historical secured tax charge and delinquency data for general obligation bonds of the District for fiscal years 2011-12 through 2018-19.

### SECURED TAX CHARGES AND DELINQUENCIES Fiscal Years 2011-12 through 2018-19 Orcutt Union School District

<u>Tax Year</u>	<u>Secured Tax Charge<sup>(1)</sup></u>	<u>Amount Delinquent June 30</u>	<u>Percent Delinquent June 30</u>
2011-12	\$1,010,291.63	\$14,425.62	1.43%
2012-13	1,021,833.28	12,817.35	1.25
2013-14	989,225.16	8,453.82	0.85
2014-15	1,026,594.56	10,311.39	1.00
2015-16	1,035,301.06	2,751.64	0.27
2016-17	991,405.61	6,218.60	0.63
2017-18	1,009,393.26	8,224.96	0.81
2018-19	2,381,202.11	25,853.12	1.09

<sup>(1)</sup> Reflects general obligation bond debt service levy for all District bonds, including bonds payable from *ad valorem* property taxes levied within the Original Orcutt Territory and former Los Alamitos Territory. See “ORCUTT UNION SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds” herein.

Source: *California Municipal Statistics, Inc.*

## Alternative Method of Tax Apportionment - “Teeter Plan”

The County Board has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency, or for which the County’s treasury is the legal depository of the tax collections.

If the Teeter Plan, in its current form, remains in effect during the term of the Bonds, the District will receive 100% of the *ad valorem* property tax levied in the County to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County. The District can give no assurance that the Teeter Plan will remain in effect in its present form, or in any form, during the respective terms of the Bonds.

The Teeter Plan is to remain in effect unless the County Board orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1 for the County), the County Board receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County, in which event the County Board is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The County Board may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in such county if the rate of secure tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event the County Board is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated

to political subdivisions (including the District) for which such county acts as the tax-levying or tax-collecting agency.

The District is not aware of any intention on the part of the County, or formal actions taken thereby, to abrogate the Teeter Plan, as now in effect in the County.

## Tax Rates

Representative tax rate areas (each, a “TRA”) located within the District are TRA 80-041 and TRA 80-126. A representative TRA located within the Original Orcutt Territory is TRA 80-041. The tables below show the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities in these TRAs during the six-year period from fiscal years 2015-16 through 2019-20.

### SUMMARY OF *AD VALOREM* TAX RATES Fiscal Years 2015-16 through 2019-20 Orcutt Union School District

#### **TRA 80-041: 2019-20 Assessed Valuation: \$1,672,886,571**

	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>	<b><u>2019-20</u></b>
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Orcutt Union School District <sup>(1)</sup>	.024250	.023040	.021890	.01970	.01773
Orcutt Union School District <sup>(2)</sup>	--	--	--	.02907	.02616
Santa Maria Joint Union High School District	.049490	.049430	.078640	.07449	.06730
Allan Hancock Community College District	<u>.025000</u>	<u>.025000</u>	<u>.023750</u>	<u>.02256</u>	<u>.02188</u>
Total Tax Rate	1.098740%	1.097470%	1.124280%	1.14582%	1.13307%

#### **TRA 80-126: 2019-20 Assessed Valuation: \$231,237,286**

	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>	<b><u>2019-20</u></b>
General Tax Rate	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Orcutt Union School District <sup>(3)</sup>	.020350	.019330	.018360	.01836	.01652
Orcutt Union School District <sup>(2)</sup>	--	--	--	.02907	.02616
Santa Maria Joint Union High School District	.049490	.049430	.078640	.07449	.06730
Allan Hancock Community College District	<u>.025000</u>	<u>.025000</u>	<u>.023750</u>	<u>.02556</u>	<u>.02188</u>
Total Tax Rate	\$1.094840	\$1.093760	\$1.120750	1.14448%	1.13186%

<sup>(1)</sup> Bonds payable from *ad valorem* property taxes levied in the Original Orcutt Territory.

<sup>(2)</sup> Bonds payable from *ad valorem* property taxes levied in the District

<sup>(2)</sup> Bonds payable from *ad valorem* property taxes levied in the Los Alamos Territory.

Source: California Municipal Statistics, Inc.

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## Principal Taxpayers

The more property (by assessed value) which is owned by a single taxpayer within the District or the Original Orcutt Territory, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The tables below the 20 largest local secured taxpayers in the District and the Original Orcutt Territory in terms of their fiscal year 2019-20 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

### 20 LARGEST LOCAL SECURED TAXPAYERS

Fiscal Year 2019-20

Orcutt Union School District

	<b>Property Owner</b>	<b>2019-20 Primary Land Use</b>	<b>% of Assessed Valuation</b>	<b>Total<sup>(1)</sup></b>
1.	Pacific Coast Energy Company LP	Oil & Gas	\$121,170,385	2.31%
2.	Premiere Agricultural Properties LLC	Vineyards	68,061,224	1.30
3.	Jackson Family Estates II LLC	Vineyards	67,599,859	1.29
4.	Arc Vineyards LLC (CA)	Vineyards	33,796,038	0.64
5.	Parke at the Park Ltd.	Apartments	28,705,049	0.55
6.	Rice Ranch Community LLC	Residential Land	27,396,246	0.52
7.	Beringer Wine Estates Company	Vineyards	26,609,901	0.51
8.	Silverado Los Alamos Vineyard LLC	Vineyards	23,026,823	0.44
9.	Highlands at Double R LLC	Residential Land	19,440,966	0.37
10.	Sierra Resource, Inc.	Oil & Gas	17,523,500	0.33
11.	Orcutt Fee LLC	Agricultural	15,352,228	0.29
12.	Kohls Department Stores Inc.	Commercial	15,208,191	0.29
13.	Gallo Vineyards, Inc.	Vineyards	14,830,390	0.28
14.	Bradly Village LLC	Residential Development	14,283,588	0.27
15.	Wal-Mart Stores Inc.	Commercial Land	14,098,554	0.27
16.	Minson Company	Shopping Center	13,759,307	0.26
17.	Betteravia Investments LLC	Agricultural	13,544,304	0.26
18.	West Bay Company	Agricultural	13,047,833	0.25
19.	Holly Land & Lime LLC	Industrial	12,826,361	0.24
20.	Greka Oil & Gas Inc.	Oil & Gas	<u>12,686,176</u>	<u>0.24</u>
			\$572,966,923	10.93%

<sup>(1)</sup> The District has a fiscal year 2019-20 local secured assessed valuation of \$5,244,141,153.

Source: California Municipal Statistics, Inc.

## 20 LARGEST LOCAL SECURED TAXPAYERS

Fiscal Year 2019-20

Orcutt Union School District

(Original Orcutt Territory)

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2019-20 Assessed Valuation</u>	<u>% of Total <sup>(1)</sup></u>
1.	Pacific Coast Energy Company LP	Oil & Gas	\$121,170,385	2.58%
2.	Premiere Agricultural Properties LLC	Vineyards	36,614,254	0.78
3.	Arc Vineyards LLC (CA)	Vineyards	33,796,038	0.72
4.	Parke at the Park Ltd.	Apartments	28,705,049	0.61
5.	Rice Ranch Community LLC	Residential Land	27,396,246	0.58
6.	Highlands at Double R LLC	Residential Land	19,440,966	0.41
7.	Kohls Department Stores Inc.	Commercial	15,208,191	0.32
8.	Gallo Vineyards, Inc.	Vineyards	14,830,390	0.32
9.	Bradly Village LLC	Residential Development	14,283,588	0.30
10.	Wal-Mart Stores Inc.	Commercial Land	14,098,554	0.30
11.	Minson Company	Shopping Center	13,759,307	0.29
12.	West Bay Company	Agricultural	13,047,833	0.28
13.	Holly Land & Lime LLC	Industrial	12,826,361	0.27
14.	Betteravia Investments LLC	Agricultural	12,370,507	0.26
15.	Orcutt Marketplace LLC	Commercial Land	11,717,000	0.25
16.	Silverado Los Alamos Vineyard LLC	Vineyards	11,398,699	0.24
17.	Greka Oil & Gas Inc.	Oil & Gas	10,771,426	0.23
18.	Healing Rooms	Agricultural	10,515,414	0.22
19.	Las Flores Ranch LLC	Agricultural	10,321,235	0.22
20.	Grevino LLC	Vineyards	<u>10,307,012</u>	<u>0.22</u>
			<u>\$442,578,455</u>	<u>9.44%</u>

<sup>(1)</sup> The Original Orcutt Territory has a fiscal year 2019-20 local secured assessed valuation of \$4,689,694,136.

Source: California Municipal Statistics, Inc.

### Statements of Direct and Overlapping Debt

Set forth on the following page are direct and overlapping debt reports (each, a “Debt Report”) prepared by California Municipal Statistics, Inc., effective as of April 1, 2020. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Reports for completeness or accuracy and makes no representation in connection therewith.

The Debt Reports generally include long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District or the Original Orcutt Territory, as applicable, in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District or the Original Orcutt Territory. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The tables show the percentage of each overlapping entity’s assessed value located within the boundaries of the District or the Original Orcutt Territory. The table also shows the corresponding portion of the overlapping entity’s existing debt payable from property taxes levied within the District or the Original Orcutt Territory. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District or the Original Orcutt Territory in whole or in part. The second column shows the percentage of each overlapping agency’s assessed value located within the

boundaries of the District or the Original Orcutt Territory. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District or the Original Orcutt Territory.

**STATEMENT OF DIRECT AND OVERLAPPING DEBT  
Orcutt Union School District**

**2019-20 Assessed Valuation:** \$5,316,958,198

<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>	<b><u>% Applicable</u></b>	<b><u>Debt 4/1/20</u></b>
Allan Hancock Joint Community College District	18.374%	\$26,833,249
Santa Maria Joint Union High School District	33.661	36,358,678
<b>Orcutt Union School District</b>	<b>100.000</b>	<b><u>23,125,000</u><sup>(1)</sup></b>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$86,316,927

<b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>		
Santa Barbara County Certificates of Participation	6.113%	\$2,177,756
Santa Maria Joint Union High School District Certificates of Participation	33.661	<u>706,057</u>
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$2,883,813
Less: Santa Barbara County supported obligations		<u>155,270</u>
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$2,728,543

GROSS COMBINED TOTAL DEBT	\$89,200,740 <sup>(2)</sup>
NET COMBINED TOTAL DEBT	\$89,045,470

**Ratios to 2019-20 Assessed Valuation:**

<b>Direct Debt (\$23,125,000).....</b>	<b>0.43%</b>
Total Direct and Overlapping Tax and Assessment Debt.....	1.62%
Gross Combined Total Debt.....	1.68%
Net Combined Total Debt.....	1.67%

<sup>(1)</sup> Excludes the Bonds but includes the Refunded Bonds.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

**STATEMENT OF DIRECT AND OVERLAPPING DEBT**  
**Orcutt Union School District**  
**(Original Orcutt Territory)**

**2019-20 Assessed Valuation:** \$4,751,474,911

<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>	<b><u>% Applicable</u></b>	<b><u>Debt 4/1/20</u></b>
Allan Hancock Joint Community College District	16.420%	\$23,979,643
Santa Maria Joint Union High School District	30.081	32,491,768
<b>Orcutt Union School District - Original Area</b>	<b>100.000</b>	<b>8,030,000<sup>(1)</sup></b>
Orcutt Union School District - New Area	89.365	<u>12,654,084</u>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$77,155,495</b>

<b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>		
Santa Barbara County Certificates of Participation	5.463%	\$1,946,194
Santa Maria Joint Union High School District Certificates of Participation	30.081	<u>630,965</u>
<b>TOTAL GROSS OVERLAPPING GENERAL FUND DEBT</b>		<b>\$2,577,159</b>
Less: Santa Barbara County supported obligations		<u>138,760</u>
<b>TOTAL NET OVERLAPPING GENERAL FUND DEBT</b>		<b>\$2,438,399</b>

GROSS COMBINED TOTAL DEBT	\$79,732,654 <sup>(2)</sup>
NET COMBINED TOTAL DEBT	\$79,593,894

**Ratios to 2019-20 Assessed Valuation:**

<b>Direct Debt (\$8,030,000).....</b>	<b>0.17%</b>
Total Direct and Overlapping Tax and Assessment Debt.....	1.62%
Gross Combined Total Debt.....	1.68%
Net Combined Total Debt.....	1.68%

<sup>(1)</sup> Excludes the Bonds but includes the Refunded Bonds.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

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## CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

*The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the County on taxable property within the District or the Original Orcutt Territory, as applicable, in an amount sufficient for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes on behalf of the District and to the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy taxes for payment of the Bonds.*

### Article XIII A of the California Constitution

Article XIII A (“Article XIII A”) of the State Constitution limits the amount of *ad valorem* property taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the “base year value.” The “full cash value” is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rates levied by the County to pay debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “TAX BASES FOR REPAYMENT OF BONDS” herein.

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Series B Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIII A requires the approval of two-thirds or more of all members of the legislature of the State (the “State Legislature”) to change any State taxes for the purpose of increasing tax revenues.

## **Legislation Implementing Article XIII A**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction or change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Both the United States Supreme Court and the State Supreme Court have upheld the general validity of Article XIII A.

## **Proposition 50 and Proposition 171**

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIII A of the State Constitution to allow owners of property that was “substantially damaged or destroyed” by a disaster, as declared by the Governor, (the “Damaged Property”), to transfer their existing base year value (the “Original Base Year Value”) to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the “Original Cash Value”); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50 percent of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120 percent of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120 percent of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIII A of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a “comparable replacement property” located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a “reasonable size that is used as a site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105 percent of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110 percent of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115 percent of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

### **Unitary Property**

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions. Under the State Constitution, such property is assessed by the State Board of Equalization as part of a “going concern” rather than as individual pieces of real or personal property. Such State-assessed property is allocated to the counties by the State Board of Equalization, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

The State electric utility industry has experienced significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State’s methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State’s school financing formula. See “DISTRICT FINANCIAL INFORMATION – State Funding of Education” herein.

### **Article XIII B of the California Constitution**

Article XIII B (“Article XIII B”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines:

- (a) “change in the cost of living” with respect to school districts to mean the percentage change in State per capita income from the preceding year, and

- (b) “change in population” with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See “— Propositions 98 and 111” herein.

### **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the State Constitution Articles XIII C and XIII D (respectively, “Article XIII C” and “Article XIII D”), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be

construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the State Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District or the Original Orcutt Territory.

### **Proposition 26**

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

### **Propositions 98 and 111**

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as “K-14 school districts”) at a level equal to the greater of (a) the same percentage of the State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to

taxpayers, is transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the State budget.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in State per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the minimum funding level for such districts. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into K-14 school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.
- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the State Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.



- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, schools will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in the State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" to schools (also referred to as a "maintenance factor"), which will be paid in future years when State general fund revenue growth exceeds personal income growth.

### **Proposition 39**

On November 7, 2000, State voters approved an amendment (commonly known as Proposition 39) to the State Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate projected to be levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for a high school or elementary school district, such as the District), or \$25 (for a community college district) per \$100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIII A of the State Constitution. These requirements are not part of Proposition 39 and can be changed with a

majority vote of both houses of the State Legislature and approval by the Governor. See “— Article XIII A of the California Constitution” herein.

### **Proposition 1A and Proposition 22**

On November 2, 2004, State voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State’s authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State’s authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State’s authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State’s general fund and transportation funds, the State’s main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst’s Office (the “LAO”) on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected to be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State’s total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State’s general fund costs by approximately \$1 billion annually for several decades. See also “DISTRICT FINANCIAL INFORMATION – State Dissolution of Redevelopment Agencies” herein.

### ***Jarvis vs. Connell***

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District’s budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State

employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

### **Propositions 30 and 55**

The California Children’s Education and Health Care Protection Act of 2016 (also known as “Proposition 55”) is a constitutional amendment approved by the voters of the State on November 4, 2014. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as “Proposition 30”). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers and over \$340,000 but less than \$408,001 for head-of-household filers), (ii) 2% for taxable income over \$300,000 but less than \$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers and over \$408,000 but less than \$680,001 for head-of-household filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers and over \$680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college districts. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Propositions 98 and 111” herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “EPA”). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

### **Proposition 2**

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as “Proposition 2”). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State’s Budget Stabilization Account (the “BSA”) established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the “Annual BSA Transfer”). Supplemental transfers to the BSA (a “Supplemental BSA Transfer”) are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as an emergency within the meaning of Article XIIB of the State Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living.

**SB 858.** Senate Bill 858 (“SB 858”) became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the PSSSA, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

**SB 751.** Senate Bill 751 (“SB 751”), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

## **Proposition 51**

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of \$9 billion in general obligation bonds for the new construction and modernization of K-14 facilities.

**K-12 School Facilities.** Proposition 51 includes \$3 billion for the new construction of K-12 facilities and an additional \$3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school districts lack sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of \$1 billion will be available for the modernization and new construction of charter school (\$500 million) and technical education (\$500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at \$3 million for a new facility and \$1.5 for a modernized facility. Charter schools must be deemed financially sound before project approval.

**Community College Facilities.** Proposition 51 includes \$2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and Legislature will select among eligible projects as part of the annual state budget process.

The District makes no guarantees that it will either pursue or qualify for Proposition 51 state facilities funding.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 22, 26, 30, 39, 98, 55 and 51 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

## **DISTRICT FINANCIAL INFORMATION**

*The information in this section concerning the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the County on taxable property within the District or the Original Orcutt Territory, as applicable, in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

### **State Funding of Education**

School district revenues consist primarily of guaranteed State moneys, local property taxes and funds received from the State in the form of categorical aid under ongoing programs of local assistance. All State aid is subject to the appropriation of funds in the State's annual budget.

**Revenue Limit Funding.** Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. Funding of a school district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Since fiscal year 2013-14, school districts have been funded based on a uniform system of funding grants assigned to certain grade spans. See "— Local Control Funding Formula" herein.

**AVERAGE DAILY ATTENDANCE AND REVENUE LIMIT**  
**Fiscal Years 2008-09 through 2012-13**  
**Orcutt Union School District**

<u>Fiscal Year</u>	<u>K-8 Enrollment<sup>(1)</sup></u>	<u>Average Daily Attendance<sup>(2)</sup></u>	<u>Base Revenue Limit Per ADA<sup>(3)</sup></u>	<u>Deficit Revenue Limit Per ADA<sup>(3)</sup></u>
2008-09	4,442	4,383	\$5,871	\$4,383
2009-10	4,329	4,276	6,121	4,276
2010-11	4,265	4,157	6,097	4,157
2011-12	4,379	4,198	6,507	4,198
2012-13	4,387	4,222	6,577	4,222

Note: All numbers are rounded to the nearest whole.

(1) Reflects certified enrollment as of the October report submitted to the California Basic Educational Data System ("CBEDS"). Excludes enrollment for charter schools operated by the District.

(2) Reflects ADA as of the second principal reporting period ("P-2 ADA"), which ends on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four-week period of instruction beginning with the first day of school for a particular school district. Excludes ADA for charter schools operated by the District.

(3) Deficit revenue limit funding, when provided for in State budgetary legislation, reduced the revenue limit allocations received by school districts by applying a deficit factor to the base revenue limit for the given fiscal year, and resulted from an insufficiency of appropriation funds in the State budget to provide for State aid owed to school districts. The State's practice of deficit revenue limit funding was most recently reinstated beginning in fiscal year 2008-09, and discontinued following the implementation of the LCFF (as defined herein).

Source: Orcutt Union School District.

**Local Control Funding Formula.** State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), enacted as part of the fiscal year 2013-14 State budget, established the current system for funding school districts, charter schools and county offices of education. Certain provisions of AB 97 were amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91").

The primary component of AB 97, as amended by SB 91, is the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. Full implementation of the LCFF occurred over a period of eight fiscal years. In each year, an annual transition adjustment was calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

The Base Grants per unit of ADA for each grade span are as follows: (i) \$6,845 for grades K-3; (ii) \$6,947 for grades 4-6; (iii) \$7,154 for grades 7-8; and (iv) \$8,289 for grades 9-12. During the implementation period of the LCFF, the Base Grants were adjusted for COLAs by applying the implicit price deflator for government goods and services. The provision of COLAs is currently subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See also "—State Budget" herein for the adjusted Base Grants provided for in current State budget legislation.



The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Following full implementation of the LCFF, and unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. Additional add-ons are also provided to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

School districts that serve students of limited English proficiency (“EL” students), students from low income families who are eligible for free or reduced priced meals (“LI” students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals, and are therefore not discussed separately herein). A supplemental grant add-on (each, a “Supplemental Grant”) is authorized for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such district’s percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a “Concentration Grant”) equal to 50% of the applicable Base Grant multiplied by the percentage of such district’s unduplicated EL/LI student enrollment in excess of the 55% threshold.

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The following table shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2013-14 through 2019-20.

**ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE**

**Fiscal Years 2013-14 through 2019-20**

**Orcutt Union School District**

<b>Fiscal Year</b>	<b>Average Daily Attendance<sup>(1)</sup></b>				<b>Enrollment<sup>(2)</sup></b>	
	<b><u>TK-3</u></b>	<b><u>4-6</u></b>	<b><u>7-8</u></b>	<b><u>Total ADA</u></b>	<b><u>Total Enrollment<sup>(2)</sup></u></b>	<b><u>% of EL/LI Enrollment<sup>(3)</sup></u></b>
2013-14	1,772	1,369	991	4,131	4,400	14.2%
2014-15	1,776	1,458	988	4,223	4,512	13.9
2015-16	1,655	1,494	974	4,123	4,492	14.7
2016-17	1,618	1,450	1,017	4,086	4,494	14.2
2017-18	1,748	1,404	1,099	4,251	4,593	13.8
2018-19						
2019-20						

(1) Reflects P-2 ADA.

(2) Reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and is used to calculate each school district's unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the State Department of Education.

(3) For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Since fiscal year 2015-16, a school district's percentage of unduplicated EL/LI students has been based on a rolling average of such district's EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years. Enrollment is net of charter school students.

Source: Orcutt Union School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of COLAs in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the LCFF implementation period. The District does not qualify for the ERT add-on.

The sum of a school district's adjusted Base, Supplemental and Concentration Grants will be multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the State Legislature to school districts.

Certain school districts, known as “basic aid” districts, have allocable local property tax collections that equal or exceed such districts’ total LCFF allocation, and result in the receipt of no State apportionment aid. Basic aid school districts receive only special categorical funding, which is deemed to satisfy the “basic aid” requirement of \$120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for basic aid districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District does not currently qualify as a basic aid district.

**[TO BE REVISED] *Coronavirus.*** The spread of COVID-19, a strain of coronavirus, is altering the behavior of businesses and people in a manner that is having negative effects on global and local economies. In addition, stock markets in the U.S. and globally have seen significant declines attributed to coronavirus concerns. COVID-19 has been characterized as a pandemic by the World Health Organization, and has resulted in a declaration of a national emergency by the Federal Government on March 13, 2020, a state of emergency by certain states (including by the State of California on March 4, 2020) and by local governments.

In response to the continued spread of COVID-19, all District schools are closed effective as of March 16, 2020. Such a temporary shutdown of District schools could reduce the District’s reportable ADA and could impact the funding the District receives from the State. On March 13, 2020, Governor Newsom issued Executive Order N-26-20, qualifying closure of schools to address COVID-19 as a condition preventing maintenance of schools wherein school districts would continue to receive State funding, and encouraging the implementation of distance learning strategies.

There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or federal governments, will not materially adversely impact the local, state and national economies or adversely impact enrollment or ADA within the District, and, accordingly, materially adversely impact the financial condition or operations of District or the assessed valuation of property within the District. See also “TAX BASE FOR REPAYMENT OF THE BONDS –Assessed Valuations” herein

***Accountability.*** Regulations adopted by the State Board of Education require that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, and detail the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans (“LCAPs”) disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. Beginning in fiscal year 2014-15, LCAPs have been required to be adopted covering a period of three fiscal years, and updated annually. The State Board of Education has adopted a template LCAP for use by school districts.

***Support and Intervention.*** AB 97, as amended by SB 91, establishes a new system of support and intervention to assist school districts in meeting the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district’s LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of

receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district in identifying and implementing programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts with achieving the goals set forth in their LCAPs. On or before October 1, 2015, the State Board of Education is required to develop rubrics to assess school district performance and the need for support and intervention.

The State Superintendent of Public Instruction (the "State Superintendent") is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized to (i) modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

***Other State Sources.*** In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

## **Other Revenue Sources**

***Federal and Local Sources.*** The federal government provides funding for several of the District's programs, including special education programs, programs under the Every Student Succeeds Act, and specialized programs such as Drug Free Schools, Innovative Strategies, and Vocational & Applied Technology. In addition, school districts may receive additional local revenues beyond local property tax collections, such as from leases and rentals, interest earnings, interagency services, developer fees, redevelopment revenues, and other local sources.

***Developer Fees.*** The District currently collects developer fees on residential and commercial development to finance essential school facilities within the District. Residential development is assessed a fee of \$2.41 per square foot, and commercial development is assessed a fee of \$0.39 per square foot. The District maintains a fund, separate and apart from the General Fund, to account for developer fees collected by the District. Developer fee revenues may only be expended on capital facility improvements necessitated by increases in enrollment resulting from development. The following table of developer fee revenues reflects the collection of fees from fiscal year 2012-13 through 2018-19 and a budgeted amount for fiscal year 2019-20.

**DEVELOPER FEES**  
**Fiscal Years 2012-13 through 2019-20**  
**Orcutt Union School District**

<u>Year</u>	<u>Total Revenues</u>
2012-13	\$328,177
2013-14	627,532
2014-15	389,678
2015-16	156,267
2016-17	320,152
2017-18	275,000
2018-19	
2019-20 <sup>(1)</sup>	

<sup>(1)</sup> Budgeted.

Source: Orcutt Union School District.

**State Dissolution of Redevelopment Agencies**

On December 30, 2011, the State Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding ABX1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in the State ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABX1 27, a companion bill to ABX1 26, violated the State Constitution, as amended by Proposition 22. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22” herein. ABX1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to school districts and county offices of education, totaling \$1.7 billion statewide.

ABX1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) (“AB 1484”), which, together with ABx1 26, is referred to herein as the “Dissolution Act.” The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a “Successor Agency”). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller’s cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund (“Trust Fund”), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any “enforceable obligations” of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines “enforceable obligations” to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, not to exceed \$250,000 in any year, to the extent such costs have been approved in an administrative budget; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax

revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the State Controller and the State Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the State Controller. If the State Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities, including the District. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) (“AB 1290”), are restricted to educational facilities without offset against apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the District uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount “which would have been received had the redevelopment agency existed at that time,” and that the County Auditor-Controller shall “determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of ABX1 26 using current assessed values and pursuant to statutory [pass-through] formulas and contractual agreements with other taxing agencies.”

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which any apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies or any other surplus property tax revenues pursuant to the Dissolution Act.

## **Budget Process**

***State Budgeting Requirements.*** The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 (“AB 1200”), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. Additional amendments to the budget process were made by Assembly Bill 2585, effective as of September 9, 2014, including the elimination of the dual budget cycle option for school districts. All school districts must now be on a single budget cycle.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a LCAP, and whether the budget's ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget may be disapproved.

A school district whose budget has been disapproved must revise and readopt its budget by September 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final school district budgets and not later than November 8, must approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. No later than November 8, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget has been disapproved. Until a school district's budget is approved, the school district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

***Interim Financial Reporting.*** Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

The District has never had an adopted budget disapproved by the County Superintendent of Schools. Within the past five years, all interim reports have been submitted with a "positive" certification.

***Budgeting Trends.*** The table on the following page summarizes the District's general fund adopted budgets for fiscal years 2015-16 through 2019-20, audited ending results for fiscal years 2015-16 through 2018-19, and projected results for fiscal year 2019-20. The District operates a charter school, however, its financial activities are accounted for in the District's Charter School Fund, separate from the general fund, and are therefore not represented in the following table.



**GENERAL FUND BUDGETING<sup>(1)</sup>**  
**Fiscal Years 2015-16 through 2019-20**  
**Orcutt Union School District**

	Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20	
	<u>Budgeted<sup>(2)</sup></u>	<u>Audited<sup>(2)</sup></u>	<u>Budgeted<sup>(2)</sup></u>	<u>Audited<sup>(2)</sup></u>	<u>Budgeted<sup>(2)</sup></u>	<u>Audited<sup>(2)</sup></u>	<u>Budgeted<sup>(2)</sup></u>	<u>Audited<sup>(2)</sup></u>	<u>Budgeted<sup>(3)</sup></u>	<u>Projected<sup>(3)</sup></u>
<b>REVENUES</b>										
Local Control Funding Formula	\$34,017,154	\$34,088,380	\$35,514,468	\$35,479,273	\$36,068,954	\$36,489,474	\$37,986,815	\$38,793,739	\$38,730,054	\$39,133,753
Federal Sources	1,358,508	1,408,474	1,391,263	1,430,185	1,509,986	1,704,379	1,807,844	1,898,090	1,704,760	1,850,116
Other State Sources	5,588,975	7,359,243	5,742,960	5,821,099	4,824,293	4,465,834	4,631,185	6,564,264	3,122,922	3,608,540
Other Local Sources	<u>1,116,425</u>	<u>1,933,669</u>	<u>1,275,339</u>	<u>1,953,818</u>	<u>1,210,289</u>	<u>3,817,449</u>	<u>3,044,552</u>	<u>4,800,374</u>	<u>3,653,331</u>	<u>3,940,346</u>
<b>Total Revenues</b>	42,081,062	44,789,766	43,924,030	44,684,375	43,613,522	46,477,136	47,470,396	52,056,467	47,211,067	48,532,755
<b>EXPENDITURES</b>										
Current:										
Certificated Salaries	18,952,909	19,583,791	20,106,624	19,616,800	19,750,929	20,189,801	20,820,813	20,090,285	19,703,073	19,494,234
Classified Salaries	6,030,818	6,609,180	6,562,147	6,672,557	6,677,712	6,644,445	6,909,394	6,992,248	6,899,383	7,113,338
Employee Benefits	7,836,789	9,456,775	10,159,323	10,563,314	11,002,383	11,094,334	11,964,104	13,563,060	11,859,729	11,603,080
Books & Supplies	3,259,121	2,561,485	2,464,307	1,699,930	1,404,476	1,667,046	3,083,988	2,400,831	2,813,134	3,688,828
Services & Operating Expenditures	3,110,568	3,540,635	3,841,608	4,113,293	3,772,268	3,003,594	2,846,812	3,272,448	3,495,344	4,477,058
Capital Outlay	263,570	856,143	582,475	554,100	273,600	285,322	259,046	351,668	193,000	469,410
Other Outgo	<u>(67,614)</u>	<u>(72,571)</u>	<u>(72,753)</u>	<u>(91,704)</u>	<u>(69,040)</u>	<u>904,349</u>	<u>1,267,467</u>	<u>2,681,143</u>	<u>1,521,846</u>	<u>1,745,836</u>
<b>Total Expenditures</b>	39,386,161	42,535,438	43,643,731	43,128,290	42,812,328	43,788,891	47,151,624	49,351,683	46,485,510	48,591,786
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	2,694,901	2,254,328	280,299	1,556,085	801,194	2,688,245	318,772	2,704,784	725,557	(59,030)
<b>Other Financing Sources (Uses)</b>										
Transfers In	18,000	816,562	6,000	51,986	6,000	50,000	--	47,087	--	--
Transfers Out	<u>(555,664)</u>	<u>(595,290)</u>	<u>(555,664)</u>	<u>(301,764)</u>	<u>(557,633)</u>	<u>(9)</u>	<u>(743,472)</u>	<u>--</u>	<u>(846,769)</u>	<u>(1,025,000)</u>
<b>Net Financing Sources (Uses)</b>	(537,664)	221,272	(549,664)	(249,778)	(551,633)	49,991	(743,472)	47,087	(846,769)	(1,025,000)
<b>Net Change in Fund Balance</b>	2,157,237	2,475,600	(269,365)	1,306,307	249,561	2,738,236	(424,700)	2,751,871	(121,212)	(1,084,030)
<b>Fund Balance – Beginning</b>	<u>6,481,938</u>	<u>6,481,938</u>	<u>8,987,042<sup>(4)</sup></u>	<u>8,987,042<sup>(4)</sup></u>	<u>13,958,269<sup>(5)</sup></u>	<u>13,958,269<sup>(5)</sup></u>	<u>16,696,505</u>	<u>16,696,505</u>	<u>11,476,188<sup>(6)</sup></u>	<u>12,011,662<sup>(6)</sup></u>
<b>Fund Balance - Ending</b>	<u>\$8,639,175</u>	<u>\$8,957,538<sup>(4)</sup></u>	<u>\$8,717,677</u>	<u>\$10,293,349</u>	<u>\$14,207,830</u>	<u>\$16,696,505</u>	<u>\$16,271,805</u>	<u>\$19,448,376</u>	<u>\$11,354,975</u>	<u>\$10,927,632</u>

(1) Reflects combined unrestricted and restricted general fund. All amounts rounded to nearest whole number.

(2) From the District's audited financial statements for fiscal years 2015-16 through 2018-19, respectively.

(3) From the District's fiscal year 2019-20 Second Interim Financial Report, approved by the Board on March 5, 2020.

(4) The District's audited financial statements for fiscal year 2015-16 reflected an unassigned fund balance of \$29,504 in the District's Charter School Fund, which balance should have been included in the ending balance for the general fund. The beginning general fund balance in the District's audited financial statements for fiscal year 2016-17 reflects this balance of \$29,504 being accounted for in the general fund.

(5) [TO COME].

(6) [TO COME].

Source: Orcutt Union School District.

## **Accounting Practices**

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the Education Code, is to be followed by all State school districts.

The District's expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Delinquent taxes not received after the fiscal year end are not recorded as revenue until received. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The District's accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the general fund which accounts for all financial resources not requiring a special type of fund. The District's fiscal year begins on July 1 and ends on June 30.

## **Comparative Financial Statements**

Audited financial statements for the District for the fiscal year ended June 30, 2019 and prior fiscal years are on file with the District and available for public inspection at the Office of the Superintendent of the District, 500 Dyer Street, Orcutt, California 93455, telephone: (805) 938-8900. The audited financial statements for the year ended June 30, 2019 are attached hereto as APPENDIX B.

The table on the following page reflects the District's audited general fund revenues, expenditures and fund balances from fiscal year 2014-15 through fiscal year 2018-19. The District operates a charter school, however its financial activities are accounted for in the District's Charter School Fund, separate from the general fund, and are therefore not represented in the following table.

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**AUDITED GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCE<sup>(1)</sup>**  
**Fiscal Years 2014-15 through 2018-19**  
**Orcutt Union School District**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
<b>REVENUES</b>					
LCFF sources	\$30,818,817	\$34,088,380	\$35,479,273	\$36,489,474	\$38,793,739
Federal sources	1,478,054	1,408,474	1,430,185	1,704,379	1,898,090
Other State sources	4,309,785	7,359,243	5,821,099	4,465,834	6,564,264
Other local sources	<u>1,923,408</u>	<u>1,933,669</u>	<u>1,953,818</u>	<u>3,817,449</u>	<u>4,800,374</u>
<b>Total Revenues</b>	38,530,064	44,789,766	44,684,375	46,477,136	52,056,467
<b>EXPENDITURES</b>					
Current					
Instruction	27,183,031	29,277,861	29,314,865	28,512,019	30,963,718
Instruction-related services					
Supervision of instruction	1,293,537	1,406,590	1,578,991	1,821,975	2,445,690
Instructional library, media and technology	732,918	999,443	1,018,993	983,399	1,094,331
School site administration	2,388,310	2,713,383	2,675,353	2,617,668	2,629,537
Pupil services					
Home-to-school transportation	1,001,085	1,139,248	1,082,369	1,110,041	1,230,540
Food services	--	--	--	--	--
All other pupil services	1,267,815	1,367,150	1,493,379	1,717,385	2,218,473
Administration					
All other administration	837,440	913,964	1,045,263	1,040,948	1,178,516
Plant services	3,348,359	3,664,458	3,856,256	3,562,608	4,255,923
Facility acquisition and construction	200,351	39,996	--	411,212	892,322
Ancillary services	70,137	83,346	100,404	87,661	122,112
Community services	859,771	929,999	962,417	939,336	943,323
Other outgo	--	--	--	<u>984,639</u>	<u>1,377,198</u>
<b>Total Expenditures</b>	39,182,754	42,535,438	43,128,290	43,788,891	49,351,683
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(652,690)	2,254,328	1,556,085	2,688,245	2,704,784
<b>Other Financing Sources (Uses):</b>					
Transfers in	50,845	575,269	51,986	50,000	47,087
Other sources	--	--	--	--	--
Transfers out	(414,078)	(353,997)	(301,764)	(9)	--
Other uses	--	--	--	--	--
<b>Net Financing Sources (Uses)</b>	(363,233)	221,272	(249,778)	49,991	47,087
<b>NET CHANGE IN FUND BALANCES</b>	(1,015,923)	2,475,600	1,306,307	2,738,236	2,751,871
<b>Fund Balance - Beginning</b>	<u>7,497,861</u>	<u>6,481,938</u>	<u>8,987,042<sup>(2)</sup></u>	<u>13,958,269<sup>(3)</sup></u>	<u>16,696,505</u>
<b>Fund Balance – Ending</b>	<u>\$6,481,938</u>	<u>\$8,957,538<sup>(2)</sup></u>	<u>\$10,293,349</u>	<u>\$16,696,505</u>	<u>\$19,448,376</u>

<sup>(1)</sup> From the District's comprehensive audited financial statements for fiscal years 2012-13 through 2016-17, respectively. Reflects restricted and unrestricted general fund activity, as well as the activity of the Special Reserve Fund for Postemployment Benefits, pursuant to the fund type definitions promulgated by GASB Statement No. 54. All amounts rounded to nearest whole number.

<sup>(2)</sup> The District's audited financial statements for fiscal year 2015-16 reflected an unassigned fund balance of \$29,504 in the District's Charter School Fund, which balance should have been included in the ending balance for the general fund. The beginning general fund balance in the District's audited financial statements for fiscal year 2016-17 reflects this balance of \$29,504 being accounted for in the general fund.

<sup>(3)</sup> [TO COME].

Source: Orcutt Union School District

## State Budget Measures

*The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the County on taxable property within the District and the Original Orcutt Territory in an amount sufficient for the payment thereof.*

**2019-20 Budget.** On June 27, 2019, the Governor signed into law the State budget for fiscal year 2019-20 (the "2019-20 Budget"). The following information is drawn from the State Department of Finance's summary of the 2019-20 Budget.

For fiscal year 2018-19, the 2019-20 Budget projects total general fund revenues and transfers of \$138 billion and total expenditures of \$142.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of \$20.7 billion, including \$5.4 billion in the traditional general fund reserve, \$14.4 billion in the BSA and \$900 million in the Safety Net Reserve Fund for the CalWORKs and Medi-Cal programs. For fiscal year 2019-20, the 2019-20 Budget projects total general fund revenues and transfers of \$143.8 billion and authorizes expenditures of \$147.8 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of \$18.8 billion, including \$1.4 billion in the traditional general fund reserve, \$16.5 billion in the BSA and \$900 million in the Safety Net Reserve Fund. The 2019-20 Budget also authorizes a deposit to the PSSSA of \$376.5 million in order to comply with Proposition 2. The amount is below the threshold required to trigger certain maximum local reserve levels for school districts created by State legislation approved in 2014 (and amended in 2017). See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 858; SB 751."

For fiscal year 2019-20, the Budget sets the minimum funding guarantee at \$81.1 billion. With respect to K-12 education, ongoing per-pupil spending is set at \$11,993. Other significant features with respect to K-12 education funding include the following:

- *Local Control Funding Formula* – An increase of \$1.9 billion in Proposition 98 funding for the LCFF, reflecting a 3.26% COLA. For fiscal year 2019-20, the adjusted Base Grants are as follows: (i) \$8,503 for grades K-3, (ii) \$7,818 for grades 4-6, (iii) \$8,050 for grades 7-8, and (iv) \$9,572 for grades 9-12. See also "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Local Control Funding Formula."
- *Settle-Up Payment* – An increase of \$686.6 million for K-14 school districts to pay the balance of past-year Proposition 98 funding owed through fiscal year 2017-18.
- *Special Education* – \$645.3 million in ongoing Proposition 98 funding for special education. Specifically, the 2019-20 Budget allocates (i) \$152.6 million to provide all special education local area plans at least the Statewide target rate for base special education funding, and (ii) \$492.7 million in special education funding, to be allocated to school districts based on the number of children between three to five years of age and with exceptional needs that are being served.
- *Pension Costs* – A \$3.15 billion payment from non-Proposition 98 funds to CalSTRS and CalPERS, to reduce long-term liabilities for K-14 school districts. Of this amount, \$850 million would be provided to buy down employer contribution rates in fiscal years 2019-20

and 2020-21. With these payments, CalSTRS employer contributions will be reduced from 18.13% to 17.1% in fiscal year 2019-20, and from 19.1% to 18.4% in fiscal year 2020-21. The CalPERS employer contribution will be reduced from 20.7% to 19.7% in fiscal year 2019-20, and the projected CalPERS employer contribution is expected to be reduced from 23.6% to 22.9 % in fiscal year 2020-21. The remaining \$2.3 billion would be paid towards employers' long-term unfunded liability. See also "ORCUTT UNION SCHOOL DISTRICT – District Retirement Programs."

- *After School Programs* - \$50 million in ongoing Proposition 98 funding to provide an increase of approximately 8.3% to the per-pupil daily rate for after school education and safety programs.
- *Teacher Support* - \$43.8 million in one-time non-Proposition 98 funding to provide training and resources for classroom educators and paraprofessionals, to build capacity in key State priorities. The 2019-20 Budget also includes \$89.8 million in one-time, non-Proposition 98 funding to provide up to 4,487 grants for students enrolled in professional teacher preparation programs who commit to working in a high-need field at a priority school for at least four years.
- *Broadband Infrastructure* - \$7.5 million in one-time, non-Proposition 98 funding for broadband infrastructure improvements at local educational agencies.
- *Full-Day Kindergarten* - \$300 million in one-time, non-Proposition 98 funding to finance construction or retrofit of facilities to support full-day kindergarten programs.
- *Wildfire-Related Cost Adjustments* – An increase of \$2 million in one-time Proposition 98 funding to reflect adjustments in the estimate for property tax backfill for basic aid school districts impacted by wildfires which occurred in 2017 and 2018. The 2019-20 Budget also holds both school districts and charter schools impacted by wildfires in 2018 harmless in terms of State funding for two years.
- *Proposition 51* – a total allocation of \$1.5 billion in Proposition 51 bond funds for K-12 school facility projects.

For additional information regarding the 2019-20 Budget, see the State Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov). However, the information presented on such website is not incorporated herein by reference.

***Proposed 2020-21 Budget.*** On January 10, 2020, the Governor released his proposed State budget for fiscal year 2020-21 (the "Proposed 2020-21 Budget"). The following information is drawn from the summaries of the 2019-20 Budget prepared by the State Department of Finance and the LAO.

For fiscal year 2019-20, the Proposed 2020-21 Budget projects total general fund revenues and transfers of \$146.5 billion and total expenditures of \$149.7 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of \$20 billion, including \$3.1 billion in the traditional general fund reserve, \$16 billion in the BSA and \$900 million in the Safety Net Reserve Fund for the CalWORKs. The Proposed 2020-21 Budget also increases the deposit into the PSSA by \$147.7 million, for a total of \$524 million, in order to comply with Proposition 2. The amount continues to be below the threshold required to trigger certain maximum local reserve levels for school districts created by State legislation approved in 2014 (and amended in 2017). See "CONSTITUTIONAL AND

STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 858; SB 751.”

For fiscal year 2020-21, the Proposed 2020-21 Budget projects total general fund revenues and transfers of \$151.6 billion and authorizes expenditures of \$153.1 billion. The State is projected to end the 2020-21 fiscal year with total available general fund reserves of \$20.5 billion, including \$1.6 billion in the traditional general fund reserve, \$18 billion in the BSA and \$900 million in the Safety Net Reserve Fund. The Proposed 2020-21 Budget also authorizes a deposit to the PSSSA of \$487 million in order to comply with Proposition 2. This amount is below the amount required to trigger certain maximum local reserve levels for school district. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 858; SB 751.” Pursuant to the provisions of Proposition 2, the Proposed 2020-21 Budget also projects a draw on the PSSSA of approximately \$37.6 million.

The Proposed 2020-21 Budget makes certain revisions to Proposition 98 funding levels set by prior budgetary legislation. For fiscal year 2018-19, the minimum funding guarantee is revised to \$78.4 billion, an increase of \$301.5 million from prior levels. For fiscal year 2019-20, the minimum funding guarantee is revised to \$81.6 billion, an increase of \$517 million from the prior level. These increases are due largely to increases in property tax revenues in fiscal year 2018-19, and increases in State general fund revenues in both fiscal years.

For fiscal year 2020-21, the Proposed 2020-21 Budget sets the minimum funding guarantee at \$84 billion, and increase of approximately \$2.6 billion over the revised prior year level. With respect to K-12 education, ongoing per-pupil spending is set at \$17,964. Due to the year-to-year growth in State revenues and a projected decline in ADA, fiscal year 2020-21 is projected to be a “Test 1” year. Other significant features with respect to K-12 education funding include the following:

- *Local Control Funding Formula* – An increase of \$1.2 billion in Proposition 98 funding for the LCFF, reflecting a 2.29% COLA. This would bring total LCFF funding to \$64.2 billion. The Proposed 2020-21 Budget also includes \$600,000 in one-time Proposition 98 funding to improve LCFF fiscal accountability by making Statewide LCAP information more accessible to the public. Finally, the Proposed 2020-21 Budget includes an increase of \$5.7 million in LCFF funding for county offices of education, reflecting a 2.29% COLA.
- *Categorical Programs* – An increase of \$122.4 million in Proposition 98 funding for categorical programs that remain outside the LCFF, reflecting a 2.29% COLA.
- *Special Education* – A new special education base funding formula using a three-year rolling average of local educational agency ADA allocated to special education local plans areas. This funding level would include a 15% increase in the Proposition 98 contribution to the funding rate provided in the prior year’s budgetary legislation. The Proposed 2020-21 Budget also includes an additional \$250 million in ongoing Proposition 98 funding based on the number of children between ages three and five with exceptional needs. Funding would be allocated on a one-time basis to school districts based on the number of preschool-age children with disabilities.
- *Educator Recruitment and Professional Development* - \$900 million in one-time Proposition 98 funding for six initiatives aimed at improving school employee training, recruitment and retention.

- *Community Schools* - \$300 million in one-time Proposition 98 funding to implement community school models which typically integrate health, mental health and other services for students and families and provides these services directly on school campuses.
- *Opportunity Grants* - \$300 million in one-time Proposition 98 funding to establish opportunity grants for low-performing schools and school districts and to expand the Statewide system of support therefor.
- *Computer Science* - \$15 million in one-time Proposition 98 funding for grants to local educational agencies to support K-12 teachers earning a supplemental authorization to their teaching credential to teach computer science. The Proposed 2020-21 Budget also provides \$2.5 million in one-time Proposition 98 funding for county offices of education to identify, compile and share resources for computer science professional development, curriculum and best practices.
- *School Nutrition* - \$60 million in Proposition 98 funding to increase funding for school nutrition. Additionally, the Proposed 2020-21 Budget includes \$10 million in Proposition 98 funding to provide training for school food service workers.
- *School Facilities* – \$400 million in one-time, non-Proposition 98 funding for eligible school districts to construct new, or to retrofit existing, facilities for full-day kindergarten programs.
- *Proposition 51* – a total allocation of \$1.5 billion in Proposition 51 bond funds for K-12 school facility projects.

For additional information regarding the 2019-20 Budget, see the State Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov) and the LAO's website at [www.lao.ca.gov](http://www.lao.ca.gov). However, the information presented on such websites is not incorporated herein by reference

***Future Actions.*** The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy ad valorem property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.



## ORCUTT UNION SCHOOL DISTRICT

*The information in this section concerning the operations of the District and the District's finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the revenues generated by an ad valorem property tax required to be levied by the County on taxable property within the District of the Original Orcutt Territory, as applicable, for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

### Introduction

The District is located in northern Santa Barbara County, on the central coast between Los Angeles and San Francisco. Originally established in 1884, the District now covers an area of approximately 222.3 square miles. The District serves students from unincorporated portions of the County in the suburbs of the City of Santa Maria, including the unincorporated communities of Orcutt, Casmalia and Los Alamos. The District operates five elementary schools serving kindergarten through sixth grade, one elementary school serving kindergarten through eighth grade, two junior high schools serving grades seven and eight, and one affiliated charter school operated by the District serving kindergarten through grade twelve. For fiscal year 2019-20, the District's ADA is projected to be \_\_\_\_\_ students. This latter figure does include students attending the District-sponsored charter school.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of subsequent audited financial reports of the District may be obtained by contacting: Orcutt Union School District, Attention: Superintendent, 500 Dyer Street, Orcutt, California 93455.

### Administration

The District is governed by a five-member Board, each member of which is elected to a four-year term. Elections for positions on the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their offices and the dates their terms expire, are listed below:

#### BOARD OF TRUSTEES Orcutt Union School District

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Liz Phillips	President	December 20__
Melanie Waffle	Clerk	December 20__
Shaun Henderson	Member	December 20__
Lisa Morinini	Member	December 20__
Mark Steller	Member	December 20__

The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Brief biographies of the Superintendent and the Assistant Superintendent of Business Services follow:

***Dr. Deborah Blow, Superintendent.*** Dr. Blow has served as the District's Superintendent since July 2014. Dr. Blow previously served as the Superintendent for Cambrian School District, located in San Jose, California. Dr. Blow received her doctorate in Organizational Leadership from the University

of La Verne. Dr. Blow also holds both a Bachelor of Music degree and Master of Education Administration degree from the University of Wyoming. Dr. Blow is in her 38th year in the education industry, and her 28th year working in education administration.

***William Young, Assistant Superintendent of Business Services.*** Mr. Young was appointed as the Assistant Superintendent of Business Services of the District in September, 2019. Previously, he served as a Deputy Superintendent in the Natomas Unified School District for approximately six years. Mr. Young has also previously served the Ocean View School District and the McFarland Unified School District in a variety of capacities. Mr. Young also has experience serving as an adjunct professor in the Graduate School of Education Leadership and Policy Studies at the California State University, Northridge. Mr. Young earned his Bachelor of Arts and Masters in Education degrees from the California State University, Bakersfield.

## District Enrollment

On average throughout the District, the regular education pupil-teacher ratio is approximately [27:1] in grades K-3, [26:1] in grades 4-6, and [32:1] in grades 7-8. The following table shows enrollment figures for the District for fiscal years 2010-11 through 2019-20.

### HISTORICAL ENROLLMENT Fiscal Years 2010-11 through 2019-20 Orcutt Union School District

<u>Fiscal Year</u>	<u>Enrollment<sup>(1)</sup></u>	<u>Change in Enrollment</u>
2010-11	4,265	--
2011-12	4,379	2.7%
2012-13	4,387	0.2
2013-14	4,400	0.3
2014-15	4,512	2.5
2015-16	4,492	(0.4)
2016-17	4,494	0.0
2017-18		
2018-19		
2019-20		

<sup>(1)</sup> For fiscal years 2010-11 through 2012-13, reflects CBEDS enrollment. For fiscal years 2013-14 and onward, reflects CALPADS enrollment. Excludes enrollment for charter schools operated by the District.

Source: Orcutt Union School District.

## Charter Schools

Charter schools are largely independent schools operating as part of the public school system created pursuant to Education Code Part 26.8 (beginning with Section 47600) of Division 4 of Title 2 (the "Charter School Law"). A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and may be approved by an existing local public school district, a county board of education, or the State Board of Education.

A charter school is generally exempt from the laws governing school districts, except where specifically noted in the law. The Charter School Law acknowledges that among its intended purposes are: (i) to provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; (ii) to hold schools accountable for meeting measurable pupil outcomes and provide schools a way to shift from a rule-based to a performance-based system of

accountability; and (iii) to provide competition within the public school system to stimulate improvements in all public schools.

The District has certain fiscal oversight and other responsibilities with respect to both independent and affiliated charter schools established within its boundaries. However, independent charter schools receive funding directly from the State, and such funding would not be reported in the District's audited financial statements. Affiliated charter schools receive their funding from the District, and would be reflected in the District's audited financial statements.

There is currently one affiliated charter school operating within the District's boundaries, which is operated by the District. The following table shows enrollment figures for the District's affiliated charter school for the past seven fiscal years, and projected enrollment figures for the current fiscal year.

**HISTORICAL CHARTER SCHOOL ENROLLMENT**  
**Fiscal Years 2012-13 through 2019-20**  
**Orcutt Union School District**

<u>Fiscal Year</u>	<u>Enrollment</u>
2012-13	700
2013-14	745
2014-15	757
2015-16	786
2016-17	786
2017-18	
2018-19	
2019-20 <sup>(1)</sup>	

<sup>(1)</sup> Projected.

*Source: Orcutt Union School District*

The District can make no representations regarding how many District students will transfer to charter schools in the future or back to the District from charter schools and the corresponding financial impact on the District.

**Labor Relations**

The District currently employs \_\_\_ full-time certificated employees and \_\_\_ full-time classified employees. In addition, the District employs \_\_\_ part-time classified staff. District employees, except for management and hourly/at-will employees, are represented by two employee bargaining units as shown below.

**BARGAINING UNITS**  
**Orcutt Union School District**

<u>Name of Bargaining Unit</u>	<u>Number of Employees Represented</u>	<u>Current Contract Expiration Date</u>
Orcutt Educators Association		
California School Employees Association		

*Source: Orcutt Union School District.*

## District Retirement Systems

*The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

**STRS.** All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

### MEMBER CONTRIBUTION RATES STRS (Defined Benefit Program)

<u>Effective Date</u>	<u>STRS Members Hired Prior to January 1, 2013</u>	<u>STRS Members Hired After January 1, 2013</u>
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

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Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year

commencing July 1, 2019, the contribution rate for employees hired after the Implementation Date (defined below) will be 10.205%.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase-in period in accordance with the following schedule:

**K-14 SCHOOL DISTRICT CONTRIBUTION RATES  
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>K-14 school districts</u>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

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*Source: AB 1469.*

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated \$2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. The remainder of the payment not committed for the reduction in employer contribution rates described above, is required to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. See "DISTRICT FINANCIAL INFORMATION – State Budget Measures" herein.

The District's contributions to STRS were \$2,235,037 in fiscal year 2015-16, \$2,923,873 in fiscal year 2016-17, \$ \_\_\_\_\_ in fiscal year 2017-18 and \$ \_\_\_\_\_ in fiscal year 2018-19. The District has currently projects \$ \_\_\_\_\_ for its contribution to STRS for fiscal year 2019-20.

The State also contributes to STRS, currently in an amount equal to 7.328% for fiscal year 2018-19 and 7.828% for fiscal year 2019-20. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter,

the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

**PERS.** Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2018 included 1,579 public agencies and 1,313 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 20.733% of eligible salary expenditures in fiscal year 2019-20. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2019-20, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2019-20. See "—California Public Employees' Pension Reform Act of 2013" herein.

Pursuant to SB 90, the State Legislature appropriated \$144 million for fiscal year 2019-20 and \$100 million for fiscal year 2020-21 to be transferred to the Public Employees' Retirement Fund, to pay in advance, on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years. In addition, the State Legislature appropriated \$660 million to be applied toward certain unfunded liabilities for K-14 school district employers. As a result of the payments made by the State pursuant to SB 90, the employer contribution rate for fiscal year 2019-20 is 19.721%. See "DISTRICT FINANCIAL INFORMATION – State Budget Measures" herein.

The District's contributions to PERS were \$664,702 in fiscal year 2015-16, \$1,359,754 in fiscal year 2016-17, \$ \_\_\_\_\_ in fiscal year 2017-18 and \$ \_\_\_\_\_ in fiscal year 2018-19. The District has currently projects \$ \_\_\_\_\_ for its contribution to STRS for fiscal year 2019-20.

**State Pension Trusts.** Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: [www.calstrs.com](http://www.calstrs.com); (ii) PERS: [www.calpers.ca.gov](http://www.calpers.ca.gov). However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are “forward-looking” information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

**FUNDED STATUS**  
**STRS (Defined Benefit Program) and PERS (Schools Pool)**  
**(Dollar Amounts in Millions) <sup>(1)</sup>**  
**Fiscal Years 2010-11 through 2017-18**

<b><u>STRS</u></b>					
<b><u>Fiscal Year</u></b>	<b><u>Accrued Liability</u></b>	<b><u>Value of Trust Assets (MVA) <sup>(2)</sup></u></b>	<b><u>Unfunded Liability (MVA) <sup>(2)</sup></u></b>	<b><u>Value of Trust Assets (AVA) <sup>(3)</sup></u></b>	<b><u>Unfunded Liability (AVA) <sup>(3)</sup></u></b>
2010-11	\$208,405	\$147,140	\$68,365	\$143,930	\$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152

<b><u>PERS</u></b>					
<b><u>Fiscal Year</u></b>	<b><u>Accrued Liability</u></b>	<b><u>Value of Trust Assets (MVA)</u></b>	<b><u>Unfunded Liability (MVA)</u></b>	<b><u>Value of Trust Assets (AVA) <sup>(3)</sup></u></b>	<b><u>Unfunded Liability (AVA) <sup>(3)</sup></u></b>
2010-11	\$58,358	\$45,901	\$12,457	\$51,547	\$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2014-15	73,325	56,814	16,511	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2015-16	77,544	55,785	21,759	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2016-17	84,416	60,865	23,551	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2017-18	92,071	64,846	27,225	-- <sup>(4)</sup>	-- <sup>(4)</sup>

<sup>(1)</sup> Amounts may not add due to rounding.

<sup>(2)</sup> Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.

<sup>(3)</sup> Reflects actuarial value of assets.

<sup>(4)</sup> Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

*Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.*

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member’s increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the “2016 STRS Actuarial Valuation”). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect



past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the “2017 STRS Actuarial Valuation”), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%. The 2017 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on salary increases less than assumed and actuarial asset gains recognized from the current and prior years, the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2018 (the “2018 STRS Actuarial Valuation”) reports that the unfunded actuarial obligation decreased by \$109 million since the 2017 STRS Actuarial Valuation and the funded ratio increased by 1.4% to 64.0% over such time period.

According to the 2018 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.9%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In recent years, the PERS Board of Administration (the “PERS Board”) has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the morality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The Schools Pool Actuarial Valuation as of June 30, 2018 (the “2018 PERS Actuarial Valuation”), reported that the contribution rate for 2020-21 is projected to be 22.8%, with annual increases thereafter, resulting in a projected 26.7% employer contribution rate for fiscal year 2026-27. The projected contribution rates reflect a 6.7% investment return reduced by estimated administrative expenses for fiscal year 2018-19 and the anticipated decrease in normal cost due to new hires entering lower benefit formulas under the Reform Act, as well as the additional \$904 million contributed by the State in July 2019 pursuant to SB 90. As reported in the 2018 PERS Actuarial Valuation, the funded status for the Schools Pool decreased by 1.7% from June 30, 2017 to June 30, 2018, primarily due to increases in liability resulting from the decrease in the discount rate, discussed above, and the new actuarial valuation system, partially offset by the investment return in fiscal year 2017-18 being greater than expected.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District’s required contributions to PERS will not increase in the future.

***California Public Employees’ Pension Reform Act of 2013.*** On September 12, 2012, the Governor signed into law the California Public Employees’ Pension Reform Act of 2013 (the “Reform Act”), which makes changes to both STRS and PERS, most substantially affecting new employees hired

after January 1, 2013 (the “Implementation Date”). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps “pensionable compensation” for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

***GASB Statement Nos. 67 and 68.*** On June 25, 2012, GASB approved Statements Nos. 67 and 68 (“Statements”) with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government’s balance sheet (currently, such unfunded liabilities are typically included as notes to the government’s financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

The District's proportionate shares of the net pension liabilities, pension expense, deferred outflow of resources and deferred inflow of resources for STRS and PERS, as of June 30, 2019, are as shown in the following table.

<u>Pension Plan</u>	<u>Collective Net Pension Liability</u>	<u>Collective Deferred Outflows of Resources</u>	<u>Collective Deferred Inflows of Resources</u>	<u>Collective Pension Expense</u>
STRS	\$38,556,718	\$10,776,537	\$3,847,049	\$4,460,451
PERS	12,145,090	3,284,002	178,055	2,294,697

Source: Orcutt Union School District.

For additional information, see "APPENDIX B – 2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12" attached hereto.

### Other Post-Employment Benefits

**Plan Description.** The District provides post-retirement health benefits to all retirees with ten years of service who retire from the District and have reached the minimum age of 55 (the "Benefits"). The duration of the benefits under the Plan are five years, but not beyond age 65. The District pays 100 percent of the health benefits for retirees and 80 percent of the coverage for two-party or family coverage for certified retirees and for management/confidential retirees hired after July 1, 2005. The District pays 100 percent of two-party or family coverage for classified retirees and 100 percent for management/confidential retirees hired prior to July 1, 2005. There are currently \_\_\_ active members receiving Benefits and \_\_\_ retirees.

**Funding Policy.** The District's funding policy for the Benefits is based on a pay-as-you-go basis to cover the cost of current insurance premiums. For fiscal years 2015-16 through 2018-19, the District realized \$\_\_\_\_\_, \$\_\_\_\_\_, \$\_\_\_\_\_ and \$\_\_\_\_\_ for the Benefits. For fiscal year 2019-20, the District has projected \$\_\_\_\_\_ for the Benefits.

The District has established an internal service fund, the Special Reserve Fund for Postemployment Benefits, to begin funding its unfunded actuarial accrued liability (discussed herein) with respect to the Benefits. As of June 30, 2019, the District had \$\_\_\_\_\_ on deposit in the internal service fund. The District projects to have \$\_\_\_\_\_ on deposit in the internal service fund at the end of the 2019-20 fiscal year. This fund, however, has not been irrevocably pledged to the payment of the Benefits, and may be accessed for other purposes upon Board decision.

**GASB Statement Nos. 74 and 75.** On June 2, 2015, GASB Statement No. 74 and GASB Statement No. 75 with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB Statement No. 74 replaces GASB Statements No. 43 and 57 and GASB Statement No. 75 replaces GASB Statement No. 45.

Most of GASB Statement No. 74 applies to plans administered through trusts, in which contributions are irrevocable, trust assets are dedicated to providing other post-employment benefits to plan members, and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the NOL, to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-

employment benefits will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB Statement No. 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability (the "TOL"), if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB Statement No. 74 requirements, a projection of the benefit payments and future Fiduciary Net Position (the "FNP") is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB.

GASB Statement No. 74 has an effective date for plan fiscal years beginning after June 15, 2016 and GASB Statement No. 75 is effective for employer fiscal years beginning after June 15, 2017. The District has recognized GASB Statement No. 74 and GASB Statement No. 75 in their financial statements for fiscal year 2018-19. See "APPENDIX B – 2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 9 – Net Other Postemployment (OPEB) Liability" attached hereto.

**Actuarial Study.** The District's most recent actuarial study, dated as of October 4, 2019, calculated the District's accrued liability in accordance with GASB No. 74 and GASB No. 75. The study concluded that, as of a June 30, 2019 measurement date, the District's Total OPEB Liability was \$10,471,703, its Fiduciary Net Position was \$0 and its Net OPEB Liability was \$10,471,703. In calculating the accrued liability, the District is required to recognize an implicit subsidy in retiree premium rates because retirees and current employees in the District's health insurance plan are insured as a group, and it is assumed that the premiums paid for retiree insurance coverage are lower than they would have been if current retirees were insured separately.

## **Risk Management**

The District participates in three joint ventures under joint powers agreements ("JPAs"): the Self-Insurance Program for Employees ("SIPE"), the Self-Insured Schools of California II ("SISCII"), and the Self-Insured Schools of California III ("SISCI"). The relationships between the District and the JPAs are such that none of the JPAs are a component unit of the District for financial reporting purposes.

The JPAs are independently accountable for their fiscal matters. The insurance groups maintain their own accounting records. Budgets are not subject to any approval other than of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA.

**Property and Liability.** The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; cyberintrusions and natural disasters. The District has contracted with SISCII for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years.

**Workers' Compensation.** The District participates in SIPE, an insurance purchasing pool, for its workers compensation coverage. The workers' compensation experience of the districts participating in

SIPE is calculated as one experience and a common premium rate is applied to all districts in the name of SIPE. Each participating district pays its workers' compensation premium based on its individual rate.

**Employee Medical Benefits.** The District has contracted with the SISCIII to provide employee health benefits. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The board of SISCIII has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

See also "APPENDIX B – 2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11" and "— Note 14" attached hereto.

### District Debt Structure

**Long-Term Obligations.** A schedule of changes in long-term debt for the fiscal year ended June 30, 2019, is shown below:

**SCHEDULE OF LONG TERM DEBT**  
**As of June 30, 2019**  
**Orcutt Union School District**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
General Obligation Bonds	\$25,635,000	--	\$725,000	\$24,910,000
Premium on issuance	856,400	--	29,532	826,868
Compensated absences	251,585	--	92,875	158,710
Supplemental early retirement plan	136,500	--	136,500	--
Net other postemployment (OPEB) liability	<u>11,476,858</u>	--	<u>3,706,117</u>	<u>7,770,741</u>
<b>Total</b>	<u>\$38,356,343</u>	--	<u>\$4,690,024</u>	<u>\$33,666,319</u>

Source: Orcutt Union School District.

**General Obligation Bonds.** The District has previously issued general obligation refunding bonds to refinance bonds issued by the District prior the annexation of the Los Alamos School District and Casmalia School District, and payable solely from *ad valorem* property taxes levied in the Original Orcutt Territory. The District has also previously issued general obligation refunding bonds to refinance bonds previously issued by the Los Alamos School District, and payable solely from *ad valorem* property taxes levied solely in the Former Alamos Territory.

Pursuant to the 2016 Authorization, the voters of the District approved the issuance of \$60,000,000 of general obligation bonds of the District, payable from *ad valorem* taxes levied on taxable property within the District. The Bonds are the first series of bonds issued under the 2016 Authorization, and, following the issuance thereof, \$\_\_\_\_\_ of the 2016 Authorization will remain unissued.

The following table summarizes the District's prior bond issuances, not including the Bonds.

**General Obligation Bonded Debt**

<b>Issuance</b>	<b>Initial Principal Amount</b>	<b>Principal Outstanding<sup>(1)</sup></b>	<b>Date of Delivery</b>
2012 General Obligation Refunding Bonds, Series A <sup>(2)</sup>			
2012 General Obligation Refunding Bonds, Series B <sup>(3)</sup>			
2015 General Obligation Refunding Bonds <sup>(2)</sup>			
Election of 2016 General Obligation Bonds, Series A <sup>(5)</sup>			

<sup>(1)</sup> As of February 1, 2020. Includes outstanding principal of the Prior Bonds expected to be refunded with proceeds of the Bonds. See "ESTIMATED SOURCES AND USES OF THE BONDS" herein.

<sup>(2)</sup> Payable from *ad valorem* property taxes levied in the Original Orcutt Territory.

<sup>(3)</sup> Payable from *ad valorem* property taxes levied in the Los Alamos Territory.

<sup>(4)</sup> Payable from *ad valorem* property taxed levied in the District.

Source: Orcutt Union School District.

The following table shows the combined debt service schedule with respect to the District's total outstanding general obligation bonded debt following the issuance of the Bonds, assuming no further optional redemptions are made.

**COMBINED GENERAL OBLIGATION BONDED INDEBTEDNESS\***  
**Orcutt Union School District**

<b>Year Ending August 1</b>	<b>2012A Refunding Bonds<sup>(1)</sup></b>	<b>2012B Refunding Bonds</b>	<b>2015 Refunding Bonds</b>	<b>Election of 2016 Series A</b>	<b>The Bonds</b>	<b>Total Annual Debt Service</b>
2020		\$128,206.26	\$629,156.25	\$1,333,637.50		
2021		125,956.26	629,450.00	546,137.50		
2022		123,456.26	634,175.00	546,137.50		
2023		120,706.26	638,250.00	556,137.50		
2024		117,831.26	641,593.75	580,637.50		
2025		119,831.26	639,450.00	603,887.50		
2026		116,418.76	641,737.50	625,887.50		
2027		117,875.00	643,375.00	651,637.50		
2028		119,025.00	644,362.50	675,887.50		
2029		--	639,781.25	703,637.50		
2030		--	307,312.50	734,637.50		
2031		--	--	763,637.50		
2032		--	--	790,637.50		
2033		--	--	825,637.50		
2034		--	--	858,137.50		
2035		--	--	893,137.50		
2036		--	--	928,350.00		
2037		--	--	963,100.00		
2038		--	--	999,850.00		
2039		--	--	1,044,650.00		
2040		--	--	1,081,650.00		
2041		--	--	1,126,050.00		
2042		--	--	1,171,650.00		
2043		--	--	1,219,625.00		
2044		--	--	1,269,800.00		
2045		--	--	1,317,000.00		
2046		--	--	1,370,400.00		
2047		--	--	1,424,800.00		
Total		\$1,310,059.46	\$7,644,393.75	\$27,350,825.10		

<sup>(1)</sup> Does not include debt service on the Refunded Bonds.

Source: Orcutt Union School District.

\* Preliminary, subject to change.



## **TAX MATTERS**

### **Series B Bonds**

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Series B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Series B Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Series B Bond (the first price at which a substantial amount of the Series B Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Series B Bond (to the extent that the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Series B Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Series B Bond Owner will increase the Series B Bond Owner's basis in the applicable Series B Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Series B Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Series B Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series B Bonds to assure that interest (and original issue discount) on the Series B Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Series B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series B Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Series B Bond Owner's original basis for determining loss on sale or exchange in the applicable Series B Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Series B Bond premium, which must be amortized under Section 171 of the Code; such amortizable Series B Bond premium reduces the Series B Bond Owner's basis in the applicable Series B Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Series B Bond premium may result in a Series B Bond Owner realizing a taxable gain when a Series B Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series B Bond to the Owner. Purchasers of the Series B Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Series B Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series B Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series B Bonds might be affected as a result of such an audit of the Series B Bonds (or by an audit of similar bonds). No

assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Series B Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series B Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE SERIES B BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE SERIES B BONDS OR THE MARKET VALUE OF THE SERIES B BONDS. PROPOSED LEGISLATIVE CHANGES OR OTHER CHANGES WHICH MIGHT BE INTRODUCED IN CONGRESS COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE SERIES B BONDS. IT IS POSSIBLE THAT LEGISLATIVE CHANGES WILL BE INTRODUCED WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME OR STATE TAX BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE SERIES B BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE SERIES B BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE SERIES B BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE SERIES B BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Series B Resolution and the Tax Certificate relating to the Series B Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Series B Bonds for federal income tax purposes with respect to any Series B Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Series B Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Series B Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Series B Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Series B Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Series B Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Series B Bonds are attached hereto as APPENDIX A.

### **Refunding Bonds**

In the opinion of Bond Counsel, under existing statutes, regulation, rulings and judicial decisions, interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code but is exempt from State of California personal income tax.

Except for certain exceptions, the difference between the issue price of a Refunding Bond (the first price at which a substantial amount of the Refunding Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Refunding Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Owner of a Refunding Bond will increase the Owner's basis in the Refunding Bond. Owners of Refunding Bonds should consult their own tax advisor with respect to taking into account any original issue discount on the Refunding Bonds.

In the event of a legal defeasance of a Refunding Bond, such bond might be treated as retired and "reissued" for federal tax purposes as of the date of the defeasance, potentially resulting in recognition of taxable gain or loss to the applicable Refunding Bondholder generally equal to the difference between the amount deemed realized from the deemed redemption and reissuance and the Refunding Bondholder's adjusted tax basis in such bond.

The amount by which a Refunding Bond Owner's original basis for determining loss on sale or exchange in the applicable Refunding Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the Owner of a Refunding Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Refunding Bond Owner's basis in the applicable Refunding Bond (and the amount of taxable interest received) and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of Refunding Bond premium may result in the Owner of a Refunding Bond realizing a taxable gain when a Refunding Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Refunding Bond to the Owner. The Owners of the Refunding Bonds that have a basis in the Refunding Bonds that is greater than the principal amount of the Refunding Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

The federal tax and State of California personal income tax discussion set forth above with respect to the Refunding Bonds is included for general information only and may not be applicable depending upon an Owner's particular situation. The ownership and disposal of the Refunding Bonds and the accrual or receipt of interest with respect to the Refunding Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences.

A copy of the proposed form of opinion of Bond Counsel for the Refunding Bonds is attached hereto as APPENDIX A

## **LIMITATION ON REMEDIES; BANKRUPTCY**

### **General**

State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – Budget Process" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing a petition under Chapter 9. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

### **Statutory Lien**

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the Bonds are executed and delivered. See “THE BONDS – Statutory Lien” herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

### **Special Revenues**

If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

### **Possession of Tax Revenues; Remedies**

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County Investment Pool, as described in “THE BONDS – Application and Investment of Bond Proceeds” herein and “APPENDIX E – SANTA BARBARA COUNTY INVESTMENT POOL” attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after

commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

### **Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights**

The proposed form of the approving opinion of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

## **LEGAL MATTERS**

### **Legality for Investment in California**

Under provisions of the Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

### **Expanded Reporting Requirements**

Under Section 6049 of the Internal Revenue Code of 1986, as amended by the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"), interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

### **Continuing Disclosure**

***Current Undertaking.*** The District has covenanted for the benefit of the Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2019-20 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Report and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Report or the notices of listed events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

***Prior Undertakings.*** [TO COME].

## **No Litigation**

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

## **Financial Statements**

The financial statements with supplemental information for the year ended June 30, 2019, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 3, 2019 of Eide Bailly LLP (the "Auditor"), are included in this Official Statement as Appendix B. In connection with the inclusion of the financial statements and the report of the Auditor herein, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

## **Legal Opinions**

The legal opinions of Bond Counsel, approving the validity of each series of the Bonds, will be supplied to the respective original purchasers thereof without cost. Copies of the proposed forms of such legal opinions are attached to this Official Statement as APPENDIX A.

## **MISCELLANEOUS**

### **Rating**

The Bonds have been assigned the rating of "\_\_\_" by S&P. The rating reflects only the views of the rating agency, and any explanation of the significance of such rating should be obtained from the rating agency at the following address: Standard & Poor's, 55 Water Street, New York, New York 10041. There is no assurance that the rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Bonds.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agency.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any rating changes on the Bonds. See "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the rating agency and its website and official media outlets for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

## Underwriting

Pursuant to the terms of a Notice Inviting Proposals for Purchase of Bonds (the “Notice Inviting Proposals”), \_\_\_\_\_ (the “Series B Underwriter”) will purchase all of the Series B Bonds for a purchase price of \$\_\_\_\_\_, which is equal to the initial principal amount of the Bonds of \$\_\_\_\_\_, plus net original issue premium of \$\_\_\_\_\_, less \$\_\_\_\_\_ of underwriting discount.

Pursuant to the Notice Inviting Proposals, \_\_\_\_\_ (the “Refunding Underwriter,” and together with the Series B Underwriter, the “Underwriters”) will purchase all of the Refunding Bonds for a purchase of \$\_\_\_\_\_, which is equal to the initial principal amount of the Refunding Bonds of \$\_\_\_\_\_, less \$\_\_\_\_\_ of underwriting discount.

The Notice Inviting Proposals provides that the Underwriters will purchase all of the Bonds, if any are purchased. The initial offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

[REMAINDER OF PAGE LEFT BLANK]



### **Additional Information**

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

Certain of the data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners, beneficial or otherwise, of any of the Bonds.

### **ORCUTT UNION SCHOOL DISTRICT**

By: \_\_\_\_\_  
Dr. Deborah Blow  
Superintendent

## APPENDIX A

### FORM OF OPINION OF BOND COUNSEL

*Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect thereto substantially in the following form:*

\_\_\_\_\_, 2020

Board of Trustees  
Orcutt Union School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$\_\_\_\_\_ Orcutt Union School District Election of 2016 General Obligation Bonds, Series B (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, a greater than fifty-five percent vote of the qualified electors of the Orcutt Union School District (the “District”) voting at an election held on November 8, 2016, and a resolution adopted by the Board of Trustees of the District on April 8, 2020 (the “Resolution”).
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.
4. Interest on the Bonds is exempt from State of California personal income tax.
5. The excess of the stated redemption price at maturity of a Bond over the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner’s basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

*Upon issuance and delivery of the Refunding Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Refunding Bonds substantially in the following form:*

\_\_\_\_\_, 2020

Board of Education  
Lynwood Unified School District

Members of the Board of Education:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$\_\_\_\_\_ Orcutt Union School District 2020 General Obligation Refunding Bonds (Federally Taxable) (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution of the Board of Education of the District adopted on April 8, 2020 (the “Resolution”).
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”).
4. Interest on the Bonds is exempt from State of California personal income tax.
5. Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated payment price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner’s basis in the applicable Bond.

Except as expressly set forth in paragraphs (3), (4), and (5), we express no opinion regarding any tax consequences with respect to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any

person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

## **APPENDIX B**

### **2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT**

## APPENDIX C

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Orcutt Union School District (the “District”) in connection with the issuance of (i) \$\_\_\_\_\_ of the District’s Election of 2016 General Obligation Bonds, Series B, and (ii) \$\_\_\_\_\_ of the District’s Election of 2020 General Obligation Refunding Bonds (collectively, the “Bonds”). The Bonds are being issued pursuant to Resolutions of the District adopted on April 8, 2020. The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

“Financial Obligation” shall mean (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Section 5(a) or Section 5(b) of this Disclosure Certificate.

“Official Statement” means that certain official statement, dated \_\_\_\_\_, 2020, relating to the offering and sale of the Bonds.

“Participating Underwriter” shall mean the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.



“Repository” shall mean, the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

### SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently ending June 30), commencing with the report for the 2019-20 fiscal year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The District’s Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District’s audited financial statements):

- (a) State funding received by the District for the last completed fiscal year;
- (b) average daily attendance of the District for the last completed fiscal year;
- (c) outstanding District indebtedness;
- (d) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;
- (e) assessed valuation of taxable property within the District for the current fiscal year; and
- (f) secured tax levy collections and delinquencies within the District for the last completed fiscal year, except to the extent the Teeter Plan, as adopted by Santa Barbara County, applies to both the 1% general purpose *ad valorem* property tax levy and to the tax levy for general obligation bonds of the District.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format, and accompanied by identifying information, prescribed by the Municipal Securities Rulemaking Board.

#### SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

- 1. principal and interest payment delinquencies.
- 2. tender offers.
- 3. defeasances.
- 4. rating changes.
- 5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
- 6. unscheduled draws on the debt service reserves reflecting financial difficulties.
- 7. unscheduled draws on credit enhancement reflecting financial difficulties.
- 8. substitution of the credit or liquidity providers or their failure to perform.
- 9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent

or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
4. optional, contingent or unscheduled Bond calls.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.
8. incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the District, any of which affect bondholders.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file

any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and
- (d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the

financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2020

ORCUTT UNION SCHOOL DISTRICT

By: \_\_\_\_\_  
Assistant Superintendent of Business Services

**EXHIBIT A**

**NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT**

Name of District: ORCUTT UNION SCHOOL DISTRICT

Name of Bond Issue: Election of 2016 General Obligation Bonds, Series B  
2020 General Obligation Refunding Bonds

Date of Issuance:

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

ORCUTT UNION SCHOOL DISTRICT

By \_\_\_\_\_ [form only; no signature required]

**APPENDIX D**

**GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION  
FOR THE CITY OF SANTA MARIA AND SANTA BARBARA COUNTY**

[TO COME]



## APPENDIX E

### SANTA BARBARA COUNTY INVESTMENT POOL

*The following information concerning the Santa Barbara County Investment Pool (the "Investment Pool") has been provided by the Treasurer-Tax Collector-Public Administrator of the County (the "Treasurer"), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter. None of the District, the Municipal Advisor or the Underwriter have made an independent investigation of the investments in the Investment Pool or made an assessment of the current County investment policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors, may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Investment Pool will not vary significantly from the values described herein. Finally, none of the District, the Municipal Advisor or the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained is correct as of any time subsequent to its date. Additional information regarding the Investment Pool may be obtained from the Treasurer at <http://www.countyofsb.org/ttcpapg/treas/index.aspx>. However, the information presented on such website is not incorporated into this Official Statement by any reference.*



## BUSINESS SERVICES MEMORANDUM

**TO:** Board of Trustees  
Debbie Blow, Ed.D.

**FROM:** William Young  
Assistant Superintendent, Business Services

**BOARD MEETING DATE:** April 8, 2020

**BOARD AGENDA ITEM:** Construction Management Services Agreement

**BACKGROUND:** TELACU is a highly qualified construction management firm in both the Education and Construction Sectors and has over 25 years of experience in K-12 educational facility improvement projects. TELACU is ready to support our facility projects, both remotely (during COVID-19) and in-person, through project completion. The proposed contract assumes all active Measure G, Series A facility projects and non-bond projects such as the Full Day Kindergarten facilities. The proposal includes a Project Director, a Project Manager, a Project Engineer, and an onsite Superintendent for the Full Day Kindergarten Projects and Measure G, Series A projects occurring May - September.

TELACU's proposal, including the Full Day K projects, is \$825,680. The TELACU proposed contract is for an amount not to exceed \$1 million. Staff is recommending an additional \$174,320 to address future non-bond facility projects (such as playground/field renovations, central kitchen modernization, etc.) and/or for unforeseen conditions. Nancy Taylor, attorney with OHS LLP, has reviewed the contract.

**RECOMMENDATION:** It is recommended the Board of Trustees approve the agreement with TELACU, as the new Construction Management Firm, as submitted.

**FUNDING:** Potentially one or more of the following funds: General Fund (01); Deferred Maintenance Fund (14); Capital Facilities Fund (25) and Building Fund (21) – Measure G.

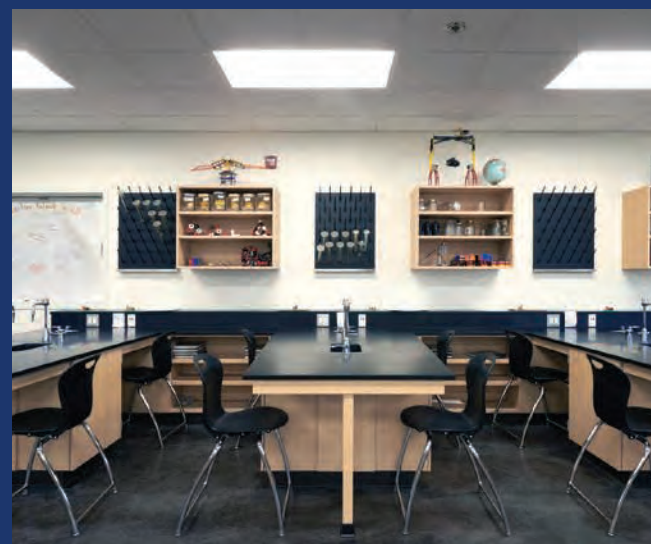
# ORCUTT UNION SCHOOL DISTRICT

## Statement of Qualifications for Construction Management Services



March 30, 2020

Presented to: Bill Young  
Assistant Superintendent - Business Services  
Orcutt Union School District  
500 Dyer Street  
Orcutt, CA 93455



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*A pioneering institution committed to **service, empowerment, advancement,** and the creation of **self-sufficiency.***





## A. Introduction Letter



March 30, 2020

Orcutt Union School District  
Attention: Bill Young, Assistant Superintendent - Business Services  
Orcutt Union School District  
500 Dyer Street  
Orcutt, CA 93455

Dear Mr. Young:

TELACU Construction Management ("TCM") is pleased to present to the Orcutt Union School District ("OUSD") our Statement of Qualifications for Construction Management Services. For the past 25 years, our team of construction management professionals have specialized in the planning and construction of California educational facilities. Operating as a subsidiary of TELACU, one of the nation's largest nonprofit Community Development Corporation, TCM implements TELACU's mission through the development of community assets.

**As experienced K-12 school builders, we understand the nuances of public contract code and locally funded projects, as well as the logistics, planning and collaboration that are required for small and large scale construction projects on occupied and active school campuses.** Utilizing tested and proven construction management techniques, TCM is well suited to meet the needs of OUSD and we are confident that the District will further benefit from the following TCM key strengths:

- Proven **SUCCESS** in working with over 35 different California school districts on facilities improvement projects.
- The ability to successfully **MANAGE** all project phases from planning, pre-construction, contractor/consultant procurement, construction, and DSA closeout.
- A **QUALIFIED** and well-seasoned team of TCM staff professionals with experience working on California educational facilities projects.
- A **STRONG** track record of completing projects on time, on schedule, and with change orders less than industry standard.
- A **LOCAL** firm dedicated to the needs of the Orcutt Union School District.

With over 100 construction professionals, TELACU Construction Management possesses the capabilities and resources to provide OUSD with an unparalleled level of service and dedication for the entirety of each and every project assigned to our firm. **Dedicated to the construction of K-12 facilities, TCM has the experience to deliver successful projects, as well as the desire and passion to achieve success on behalf of OUSD.** Thank you for your consideration and review of our team and the firm's qualifications and experience. We look forward to collaborating with OUSD on the successful implementation of any upcoming projects. Should any questions arise during the District's evaluation process please contact Blaine Yoder, byoder@telacu.com, who is the main point of contact for this procurement.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John Clem', is written over a light blue horizontal line.

John Clem  
President  
TELACU Construction Management

### Firm Information

TELACU Construction  
Management, Inc.  
604 North Eckhoff St.  
Orange, CA 92868  
Phone: (714) 541-2390  
Fax: (714) 541-9411  
www.TELACU.com

### Main Contact

Blaine Yoder  
Director  
t: (760) 801-3849  
byoder@telacu.com

### Licenses and Business Information

Federal Tax I.D. Number: 954528779  
California Business License: 163096  
Type of Organization: Corporation  
Owner/Officer: John Clem, President  
Business Type: General Contractor  
Years in Business: 25  
Date Established: February 1995  
CA Contractor's License: 741851  
License Classification: B  
Date of Issuance: 1997  
Number of Employees: 100  
DIR Number: 1000012893

### Professional Registrations, Certification, and Affiliations:

- Construction Management Association of America (CMAA)
- Coalition for Adequate School (CASH)
- LEED U.S. Green Building Council Association (USGBC)
- American Institute of Architects (AIA)
- National Council of Architectural Registration Boards (NCARB)
- Design-Build Institute of America
- Certified Erosion, Sediment, and Stormwater Inspector (CESSWI)

## A. Executive Summary



TCM is a leader in the design, management, and construction of K-12 Educational Facility Improvement Projects. Since 1995, we have brought our expertise to the completion of schools, public buildings, capital improvement projects, and parks. **What sets us apart is our depth of understanding and our ability to integrate the different facets of a school construction project - planning, schedule, budget, accounting, design, procurement, construction, commissioning, and closeout - into one seamless process.** TELACU Construction Management provides standardized technical and management expertise bringing over 25 years of experience in DSA school construction.

### Services and Experience

TCM functions as a full service construction management firm the majority of our business dedicated to Educational Facility Construction. **Over the course of the last 25 years, TCM has completed more than \$4.25 billion dollars of construction as a program manager, construction manager, or a general contractor, for over 35 different school districts.** We pride ourselves in the management of K-12 school construction projects and consider ourselves experts in the renovation and expansion of California school facilities.

**Planning** - TCM takes an active approach in design review, reconciling the budget and the plans while performing constructability reviews, value engineering sessions, and providing accurate estimates during the design phase. TCM also coordinates the site logistics and phasing plan with the District, Architect, and site staff in order to ensure site safety, limitations of the construction area, delivery routes, and interim housing/swing spaces as required.

**Project Controls** - TCM provides financial planning and reporting services on all aspects of the project using financial management tools developed specifically for educational building projects. Our staff develops project control systems that integrate the needs of both the client and their accounting staff while tracking costs in a manner that meets the requirements of local, state, and/or federal agencies. The processes and procedures we have developed allow for more efficient scheduling, greater cost efficiencies, and better control of the master budget for each project.

### Pre-Construction, Procurement of Prime Contractors

TCM believes that the success of each project is determined



during the pre-construction phase and it is our goal at the beginning stages of each project to ensure we set up our team for success. The backbone of the pre-construction phase lies in these three pillars:

1. Constructability Reviews
2. Cost Estimating/Budget Reconciliation
3. Prime Contractor Procurement Efforts



## A. Executive Summary



TCM has extensive experience in managing the public works bid process and will assist the District in developing the front-end bid documents, and general and special conditions for each project to ensure all are applicable to the project scope.

**Contract Management During Construction** - TCM's qualified professionals function as the owner's representative to coordinate and schedule the operations of a single general contractor or multiple prime contractors. Utilizing tested and proven management techniques, TCM professionals manage all the construction-related elements of the project, including advice and recommendations during planning, design, and construction, for the purpose of controlling time, cost, and quality. We maintain all records and daily logs and actively manage the bid construction process.

We also place a high level of importance on proper document control and require our field staff to maintain accurate, up-to-date information and schedules on each project from notice to proceed to notice of completion. This becomes particularly important as a program moves forward to ensure all proper documentation at the project level has been developed and submitted to meet required deadlines.

**State/Local Agency and Consultant Coordination** - As an experienced construction management firm, our staff will be responsible for coordinating all activities with Federal/ State/Local agencies as well as with all consultants that the El Rancho Unified School District bring on to work on the upcoming projects. Our goal is to serve as an extension of the District working in collaboration with District staff, State/ Local Agencies, and all consultants working towards the common goal of making our schools better for our students.

**Sustainability Consulting** - *As a community-based company, we understand the importance of the industry-wide shift to green building practices and are committed to being a leader in this area.* We believe that green building standards can be met within a competitive budget. TCM is a member of the United States Green Building Council and has LEED-certified professionals on staff to assist clients in meeting their LEED certification and green/sustainability goals.

**Closeout** - Our projects begin with the careful consideration of where the team will stand at the conclusion of the project. With this in mind, we begin closeout on the first day of the project, coordinating the project documents and submittals to ensure completion with compliance. We excel in meeting the DSA project closeout requirements and have an excellent track record for timely closeout on all projects.





## B. Executive Staff Resumes



**Los Angeles Harbor College**  
*Los Angeles Community College District*

## B. Executive Staff Resumes



Construction companies are made up of people, and it is the leadership and experience of our staff that distinguishes our firm. **The majority of our dedicated staff have worked at the firm for more than five years and our leadership team has a combined 75 years of experience working at TCM.**



### EDUCATION:

Studies at California  
Polytechnic State  
University, San Luis  
Obispo

### LICENSE:

Licensed B Contractor  
California  
#741851

Our team is led by our **President, John Clem** who plays an active, hands-on role in each and every project TCM is managing. John brings over 40 years of construction experience lending his knowledge and guidance to each TCM project, and looks forward to working with OUSD. John's passion for school construction is evident as he is a regular attendee at weekly project meetings, as well as the trusted advisor to our clients on construction related issues. Our clients routinely praise the accessibility and proactive nature of John's leadership style. John started TCM for TELACU over 25 years ago and has served as our President for the entire time.

### Relevant Project Experience:

- El Rancho High School Redevelopment, El Rancho Unified School District - \$72M
- Saugus High School Performing Arts Center, William S. Hart Union High School District - \$18M
- Hawthorne High School Phase 3, Centinela Valley Union High School District - \$50M
- Sierra Vista Junior High School New Classroom Addition, William S. Hart Union High School District - \$10M
- Leuzinger High School Campus-wide Modernization - \$58M
- Lennox School District - LMS/Buford/Felton Classroom Additions - \$24M
- Lawndale High School, Centinela Valley Union High School District - \$110M
- Alliance Public School #9, Alliance Public Ready Schools - \$12M
- Segerstrom High School New School, Santa Ana Unified School District - \$58M
- Hawthorne High School Science and Engineering Buildings, Centinela Valley UHSD - \$52M
- 21st Century Upgrades and District-wide Modernizations, Buena Park School District - \$70M
- Lawndale High School Performing Arts Center, Centinela Valley Union High School District - \$8.5M City of Newport Beach - "Fibrary" - Fire Station and Library - \$8.3M
- OCC School of Sailing and Seamanship, Coast Community College District - \$3.5M
- Campus Public Safety Building, Compton Community College District - \$7M
- Compton Community College, Classroom Addition - \$17M
- BuildLACCD, Los Angeles Community College District - \$6B



## B. Executive Staff Resumes



As **Senior Vice President, Jay Bell** is active in all TELACU Construction Management contracts with a focus on the construction of K-12 educational facilities. Jay is responsible for client relations and strategic planning for TELACU Construction Management and specializes in agency construction management during pre-construction including financial management. Jay's strengths lie in his ability to build, supervise, and coordinate the work of teams of architects and technical personnel, as well as construction teams. He has developed a reputation as a manager with strong financial planning skills based on his work in designing and implementing program and project level financial management systems for clients.

### Relevant Project Experience:

- Lake Elsinore Unified School District - \$105M Bond Program
- BuildLACCD, Los Angeles Community College District - \$6B
- OCC Professional Mariner Training Center, Coast Community College District - \$15.5M
- WeBuild, Los Angeles Unified School District - \$27B
- Vista Unified School District - \$292M
- Saddleback Valley Unified School District - \$300M
- North Orange County Regional Occupation Program
- Temple City Unified School District - \$160M
- Centinela Valley Union High School District - \$450M
- Lennox School District - \$26M Bond/\$111M LAWA
- Segerstrom High School New School, Santa Ana Unified School District - \$58M
- District Performing Arts Center, Placentia-Yorba Linda Unified School District - \$12M
- 21st Century Upgrades and District-wide Modernizations, Buena Park School District - \$70M

### EDUCATION:

B.F.A., Art and Design  
Parsons School of  
Design, 1996

Construction  
Management  
Coursework  
Pratt Institute  
1997-1998

### REGISTRATIONS:

California Contractors  
License, No. 785476  
("B" General Contractor  
and "C-8" Concrete  
Construction)

Division of State  
Architect  
Project Inspector,  
Class 3, No. 3076

OSHA 30-Hour Safety  
Certification

### COMMUNITY SERVICE:

President, Encinitas  
Educational Foundation

Board of Management,  
Ecke YMCA

Former Legislative  
Committee, Coalition  
for Adequate School  
Housing

Former Board  
Member, Californians  
for School Facilities



## B. Executive Staff Resumes



### EDUCATION:

Bachelor of Science,  
Structural Engineering,  
University of California,  
San Diego  
Irwin and Joan Jacobs School  
of Engineering, La Jolla, CA

Fundamental Engineering  
Examination Certification, CA

OSHA 30-Hour Safety  
Certification

As **Director, Blaine Yoder** will be responsible for all TCM personnel assigned to OUSD and takes an active and engaged role during the design development and the bid phase of the project. Blaine will be the lead during the initial phases of the project and will communicate and report directly with District Staff, the Architect and their Engineers and the TELACU Construction Management Team. Over his 15 year career with TCM, Blaine has successfully completed over 75 DSA K-12 projects throughout multiple school districts in California. Having been engaged early in the development of most construction projects, Blaine is thoroughly familiar with the Public Contract Code, alternative delivery methods, CMAA and Pre-qualification requirements, allowing him to lead and provide best management solutions to various procurement strategies. With his background in Structural Engineering and his ability to manage staff, Blaine will provide contract, design, and construction management expertise in order to support the entirety of the project team.

### Relevant Project Experience:

- Saugus High School Performing Arts Center, William S. Hart Union High School District - \$18M
- Sierra Vista Jr. High New Classroom Buildings, William S. Hart Union High School District - \$10M
- Lawndale High School, Centinela Valley Union High School District - \$110M
- West Covina PAC and STEM Building, West Covina USD - \$70M
- Leuzinger High School Administration Building Modernization, Centinela Valley UHSD - \$50M
- OCC Professional Mariners Training Center, Coast Community College District - \$15.5M
- Alliance Public School #9, Alliance Public Ready Schools - \$12M
- Gilbert and Whitaker Elementary School, Buena Park School District - \$7M
- District Performing Arts Center, Placentia-Yorba Linda Unified School District - \$12M
- 21st Century Upgrades and District-wide Modernizations, Buena Park School District - \$70M
- Measure V Bond Construction Program, Lake Elsinore Unified School District - \$105M
- Emergency Shelter and Centralized Services Center, City of Pomona - \$8M

## B. Executive Staff Resumes



### EDUCATION:

Bachelor Degree at  
California Polytechnic  
University, Pomona, CA

### AFFILIATIONS/ CERTIFICATIONS:

C.A.S.H. Leadership  
Academy Graduate  
C.M.A.A. Member  
C.A.S.H. Member  
C.C.S.A. Member  
OSHA 30 Hour

**Daniel Clem** serves as another **Director**, and like Mr. Yoder, is responsible for direct management of all TCM staff assigned to specific programs and/or projects. Over his 10 year career with TCM, Daniel has completed numerous DSA school construction projects, utilizing all different delivery methods, which has provided him with the relevant experience to lead construction management teams on these dynamic projects.

Daniel is a K-12 expert and a committed leader who has demonstrated success on high school projects in Capistrano USD, El Rancho USD, El Segundo USD, Capistrano USD, Centinela Valley UHSD, Lennox SD, Los Angeles USD, and Los Angeles Community College District.

### Relevant Project Experience:

- El Rancho High School Redevelopment - Athletic Stadium, Fields, and Building B - El Rancho USD - \$72M
- Hawthorne High School Phase 2 Classroom Addition - Centinela Valley UHSD - \$50M
- Lennox School District - Lennox/Buford/Felton New Classrooms - \$24M
- Hawthorne High School - Nyman Hall Theatre, CVUHSD - \$10M
- El Segundo Unified School District Measure ES - \$92M
- Aliso Niguel High School New STEM Buildings, Capistrano USD - \$14M
- Newhart Middle School New STEM Buildings, Capistrano USD - \$14M
- Ambuehl Elementary School Modernization, Capistrano USD - \$8M
- Palisades Elementary School Modernization, Capistrano USD - \$4M
- Solar PV District-wide, Capistrano USD - \$25M
- Esencia K-8 School New School, Capistrano USD - \$32M
- Tesoro High School New Classroom Building, Capistrano USD - \$10M
- Hawthorne High School S.T.E.M. Science and Engineering Buildings, Centinela Valley UHSD - \$52M
- Franklin E.S. and Roosevelt E.S. Modernizations, Santa Monica-Malibu USD - \$9M



## B. Executive Staff Resumes



As **Construction Director, Bryan Aylor** assist Blaine and Daniel in the management of TCM's CM-Multiple Prime projects. Over his 10 year career with TCM, Bryan has completed multiple CMMP projects and has become an expert in managing the field operations and providing guidance and assistance to TCM's Superintendent.

Bryan will assist from the pre-construction phase all the way through the closeout phase, providing guidance in the development of the baseline schedule, performing constructability reviews, value engineering sessions, and working with the A/E Team in order to achieve a smooth Construction Phase. Bryan is a CMMP construction expert and a committed leader who has demonstrated success on numerous capital improvement projects throughout California.

### Relevant Project Experience:

- Instructional Building #1, Compton Community College - \$17M
- Instructional Building #2, Compton Community College - \$17M
- Student Services Bldg, Compton Community College - \$20M
- Campus Police/Public Safety Center, Compton Community College - \$5M
- "Fibrary" Fire Station and Library, City of Newport Beach - \$7M
- Downey Public Library, City of Downey - \$8.5M
- Centralized Services Center and Emergency Shelter, City of Pomona - \$8.5M
- Corona Del Mar High School Stadium and Fencing, Newport-Mesa Unified School District - \$12M
- Wishing Tree Park, Los Angeles Neighborhood Land Trust - \$10M
- Olinda Elementary School, Brea-Olinda Unified School District - \$9M
- La Costa Kitchen Modernization, Encinitas Union School District - \$2.5M

### EDUCATION:

Bachelor of Science,  
Business Administration,  
California Polytechnic  
State University,  
Pomona, CA

LEED Accreditation  
SWPPP Certification  
OSHA 40 Hour Training  
MAP Management Training  
Master Builders Project  
Management  
20/20 Design Management  
Primavera Scheduling







## C. Relevant Experience

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**Ánimo Leadership Charter High School**  
*Green Dot Public Schools*



## C. Relevant Experience



TCM is a leader in the design, management, and construction of K-12 Educational Facility Improvement Projects. Since 1995, we have brought our expertise to the completion of educational facilities, public buildings, capital improvement projects, transportation, public housing, and recreational centers. **What sets us apart is our depth of understanding and our ability to integrate the different facets of a project - planning, schedule, budget, accounting, design, procurement, construction, commissioning, and closeout - into one seamless process; providing for standardized technical and management expertise across large multi-phased capital improvement projects.**



### **LAWNDALE HIGH SCHOOL, Campus Modernization and Expansion, Lawndale, CA** **Value:** \$110,000,000

**Delivery Method:** Lease-Leaseback

**Client:** Centinela Valley Union High School District

**Reference:** Ron Hacker - Assistant Superintendent Business Services (310) 263-3201 [hackerr@centinela.k12.ca.us](mailto:hackerr@centinela.k12.ca.us)

**Claims/Litigation:** None

**Performing Arts Center:** The Performing Arts Center building capacity holds 1,500 patrons that is a two-tier seating structure. The interior classroom spaces contains a costume design and storage shop, scene shop for building sets, computer lab for digital editing, an audio recording room, and a TV studio. The beautiful PAC lies in the front drive approach of the school and is a great focal point for the community.

**Student Services Center:** The Student Services Center is a three-story 120,000 SF building housing a new campus library, administration center, and 42 classrooms that house 12 science labs, art labs, and computer labs. The building includes state-of-the-art technology capabilities for learning as well as a top rated security monitoring, and access control systems to protect the students.

**Student Union/Kitchen:** The Student Union began construction in June 2015 and is approximately 41,000 SF and houses a Student Union, serving area, kitchen, and eight teaching stations. TCM performed all pre-construction through closeout services that encompassed plan development, value engineering, constructability reviews, creating all the pertinent bid documents, scoping of work, bidder solicitation, and bidder evaluation and recommendation for contract, construction oversight, QA/QC, and project/DSA closeout.

**Classroom Building Addition:** The Classroom Building Addition began construction in June 2017 is approximately 50,000 SF and houses over 14 classrooms, 7 office spaces, flexible teaching areas, laboratory spaces and staff and student restrooms.



## C. Relevant Experience



### **SAUGUS HIGH SCHOOL - Performing Arts Center/ Auditorium, Santa Clarita, CA**

**Project Value:** \$15,000,000

**Project Size:** 18,750sf

**Client:** William S. Hart Union High School District

**Reference:** Mike Otavka, Director of Facilities, Planning and Construction 661.259.0033 ext 274

TCM provided Construction Management services on the "Forum" a \$15 Million Dollar Auditorium at Saugus High School. TCM managed this project utilizing the Construction Management Multiple Prime delivery method overseeing 17 different prime contractors. Having been brought in early in the process, our pre-construction team was able to work with the Architect and our vast subcontractor list to provide the final estimate for the Saugus High Auditorium Project before it went out for bid. Upon bid opening the actual contract award was within ½ of 1% of our estimate, which in this volatile construction market is a terrific feat. Concurrently with the creation of our estimate, our team developed each bid package, solicited to our expansive subcontractor pool, and was able to garner a high interest in this project creating an extremely competitive final bid. The design of the building features racked masonry walls with complex integrated structural features and will seat a total of 468 patrons. The new PAC serves as the entrance to the campus and provides a beautiful focal point for the community.



### **EL RANCHO HIGH SCHOOL Redevelopment, Pico Rivera, CA**

**Value:** \$72,000,000

**Delivery Method:** Lease-Leaseback

**Client:** El Rancho Unified School District

**Reference:** Dr. Frances Esparza, Superintendent  
(562) 801-7300

The El Rancho High School Redevelopment project is a much needed and long overdue project. The campus was first built in the late 1940's and has not been modernized since its initial construction. The \$72M project consists of the construction of a new football stadium with synthetic turf, new bleachers, team rooms, field/press box, and musco lighting, a new synthetic baseball field and a new all natural grass softball field. The project also consists of the construction of a two-story administration and classroom building that will house numerous office spaces and 16 new classroom spaces and highlights a new open space teaching area.



## C. Relevant Experience



### **HAWTHORNE HIGH SCHOOL Science and Engineering Buildings, Hawthorne, CA**

**Value:** \$51,450,500

**Delivery Method:** Lease-Leaseback

**Client:** Centinela Valley Union High School District

**Reference:** Ron Hacker - Assistant Superintendent Business Services (310)263-3201 [hackerr@centinela.k12.ca.us](mailto:hackerr@centinela.k12.ca.us)

**Claims/Litigation:** None

The Hawthorne High School Science and Engineering Classrooms project has involved a number of phases, all carefully planned, scheduled and executed so that the campus could remain operational during construction. This project was the most schedule intensive project due to the scope of work that was being undertaken by the District and TCM. With careful planning and working as a team with the District, TCM, the A/E team, we were able to plan properly and work diligently in order to ensure that students were in their seats on the first day of school.

The first phase of construction consisted of TCM developing an interim housing logistics plan in order to ensure that no

student/teacher was without a classroom. During a tight summer schedule, TCM saw the grading and placing of 16 interim housing portable classrooms that were all coordinated with DSA. During this summer break, TCM was tasked with the abatement, demolition of old classrooms, Emergency Repair Work (ERP) for power and drainage issues on campus as well as replacing the existing gas lines, fire water lines, storm and sewer utility reroute and drainage upgrades throughout campus.



The Science and Engineering Buildings project consisted of six new buildings totaling 104,000 SF. The project saw the construction of a new student services building, a media center, a 33-classroom science/chemistry building, a two-classroom engineering lab building with an adjoining metal shop, 3D printing shop, and a work yard, three oversized computer lab classrooms and corresponding office spaces.

## C. Relevant Experience



### EL DORADO HIGH SCHOOL, Modernization and Expansion, Placentia/Yorba Linda, CA

**TCM's Role:** Program and Construction Manager

**Construction Value:** \$19,832,000

**Delivery Method:** Lease-Leaseback and Hard-bid

**Client:** Placentia-Yorba Linda Unified School District

**Reference:** Rick Guaderrama, Director of Maintenance and Facilities; (714) 985-8434, rguaderrama@pylusd.org

The El Dorado High School project included three major construction components, a new District Performing Arts Center, a Practice Gymnasium, and a reconfiguration of the site's support facilities including interim and permanent classrooms, tennis court construction, and parking lot reconfiguration and expansion.

**District Performing Arts Center:** TCM lead the programming and design of the District's new Performing Arts Center (PAC) starting in February 2009. TCM supported the District in the programming and review of the PAC at the conceptual, schematic, design development, and construction document phases by managing the incorporation of district standards, verification of existing utilities, constructability review, and coordination with local agencies, including the Orange County Fire Authority and the City of Placentia Transportation Department. TCM worked with the District in order to develop a contractor selection model that provided competitive construction costs and maximized the District's

value. Construction of the 18,000-square-foot PAC began in early 2012. Now complete, the Center provides house seating for more than 630 patrons, a variable acoustics system, a fly loft, performer and audience restrooms, advanced audio/visual and lighting controls and rooms, and multiple auxiliary spaces. Value was gained throughout design and construction through Building Information Modeling tools that incorporated a majority of the construction components from over-excavation to interior finishes.

**Practice Gymnasium:** The main gymnasiums at El Dorado and Esperanza high schools were experiencing congestion due to multiple and overlapping athletic programs. As Construction Manager, TCM lead the programming, design, and construction of each of the \$4M 14,000SF CMU practice gymnasium buildings. TCM was challenged with providing similar facilities at each campus while still meeting the individual programs of the two schools. The projects were successfully completed 1 month ahead of the original 12 month project duration.

### Athletic Facilities, Permanent Modular Classroom

**Relocation and Parking Lot Expansion:** As the Performing Arts Center and Practice Gymnasium were constructed in the existing El Dorado High School Parking lot, significant site planning and construction was required to mitigate the loss of student parking stalls. In order to reproduce the exact same quantity of parking stalls that were available prior to the campus expansion, TCM managed the design and construction of the relocation of ten portable classrooms to permanent foundations, athletic facility improvements including tennis, basketball, and volleyball courts, and parking lot. The project required extensive logistic planning and phasing as the start of one phase of the project hinged on the relocation and occupancy of another.





## C. Relevant Experience



### LEUZINGER HIGH SCHOOL, Lawndale, CA

**Construction Value:** 59,000,000

**Delivery Method:** Lease-Leaseback

**Client:** Centinela Valley Union High School District

**Reference:** Ron Hacker - Assistant Superintendent Business Services (310)263-3201 [hackerr@centinela.k12.ca.us](mailto:hackerr@centinela.k12.ca.us)

**Claims/Litigation:** None

**Science and Mathematics Classrooms:** By selecting a DSA-approved PreFast building design, TCM was able to bring the project in on time due to the District potentially being exposed to losing some available state ORG funds. In addition to an expedited pre-construction phase, this project also received substantial completion in 11 months using an extremely compressed schedule. The District opened the new classroom buildings for Science and Engineering in September 2011. The 44 classrooms include state-of-the-art science labs, classrooms with Promethean interactive whiteboards, and an exterior landscaped quad area with seating to facilitate outdoor classroom activities and recreation.

#### **Student Dining Hall/Kitchen, Culinary Arts, and Classrooms:**

The project consists of three individual buildings that include 34 classrooms, culinary labs, a dining room, and a state-of-the-art kitchen facility. Construction of the 102,062 square-foot classroom building and dining facility began in October 2012, but in December, a major design issue in the structural steel was discovered and 90 days of work were lost. Through the combined efforts of the Architect and TCM, the loss was not only regained, but the project was successfully completed on time. Now complete, the dining facility provides space for more than 700 students and teachers.



### AMBUEHL ELEMENTARY SCHOOL Modernization, San Juan Capistrano, CA

**Construction Value:** \$8,000,000

**Delivery Method:** Design-Bid-Build

**Client:** Capistrano Unified School District

**Client Reference:** John Forney, Chief Facilities Officer (949) 234-9200; [jgforney@capousd.org](mailto:jgforney@capousd.org)

TCM oversaw a fast paced summer construction modernization project that consisted of abatement, demolition and construction of the administration building, library and MPR rooms and the demolition and construction of a new 12' x 60' shade structure, playground equipment and water bottle fillers. The interior spaces were outfitted with new LVT flooring, tackboard, new flexible furniture, smart projectors and white boards, and new library casework. The project schedule was a tight 62 day schedule over the summer and through proper planning and coordination, our team was able to finish the project on time and on budget ensuring that each student was in their seats on the first day of school.

## C. Relevant Experience



### TEMPLE CITY HIGH SCHOOL - New Classroom Buildings & Sports Facilities, Temple City, CA

TCM's Role: Program and Construction Manager

Construction Program Value Phase 1A: \$18,635,000

Client: Temple City Unified School District

Reference: Kathy Perini, Superintendent, (626) 548-5120  
perini@tcusd.net

TCM has been providing program and construction management services for TCUSD since 2012. TCM has worked closely with the Architect and Owner to develop a new master plan proposal for the 21-acre Temple City High School, which includes three (3) new Classroom Buildings (32 classrooms), a Sports Complex Upgrade, Demolition of two (2) Existing Classroom Buildings (12 Classrooms), Central Plant and Utility Upgrade as well as various ADA upgrades and modernizations.

#### Phase 0/Building Demolition - Utility Upgrade – Interim

**Housing:** Prior to starting the new construction of the Phase 1A building, TCM managed the demolition of the existing classroom buildings and provided a new Central Plant to service the existing campus. Additionally, TCM implemented the installation of interim housing units to facilitate instruction for the duration of the construction of Phase 1A.

**Phase 1A/New Classroom Building:** Over the past few years, the enrollment at Temple City High School has changed sufficiently to warrant the addition of classrooms to meet State mandated student/teacher ratios. To achieve this goal TCM, with the efforts of the Architect, collaborated with the Owner and determined three classroom buildings,

totaling 32 classrooms was warranted and within budget. The predominantly CMU structure similarly matches the existing original brick buildings, with eye catching accents indicating a reach into the future. TCM has been integral in the review and oversight of the construction, working closely with the on-site administration to ensure all activities maintain a minimal impact to the day to day instruction.

**Phase 1B Sports Complex Upgrade:** The Athletic program has historically been strong. While the football stadium recently received an upgrade managed by TCM under a separate project, the Baseball, Softball and Swimming facilities are scheduled for a major overhaul including turf replacement of the fields, provisions of dugouts and reconfiguration of the swimming pool facilities including locker rooms, team rooms, snack area, and the pool equipment area. Additionally, the campus' main electrical service is being relocated. This time sensitive task is scheduled to commence summer 2017.





## C. Relevant Experience



### ELSINORE HIGH SCHOOL

#### Campus Quad Improvements, Lake Elsinore, CA

**TCM's Role:** Construction Manager

**Construction Value:** \$3,298,622

**Delivery Method:** CM Agency "CM/GC"

**Client:** Lake Elsinore Unified School District

**Reference:** Dr. Doug Kimberly, Superintendent, (951) 253-7000  
doug.kimberly@leusd.k12.ca.us

TCM was contracted by Lake Elsinore Unified School District to provide construction management services to the \$3Million quad improvement and infrastructure project at Elsinore High School. TCM was engaged relatively late in the process as the District elected to procure the construction projects in house. As such, TCM truly had to hit the ground running on day one of construction of this 60 calendar day project. In order to ensure project success, TCM's field staff was given authority to make on-site design changes to the project due to various existing conditions that would have otherwise delayed the project. TCM worked side by side with the District, Architect, and Contractor to complete this very complicated civil and infrastructure project on an extremely short timeline which necessitated managing two general contracting crews, two electrical subcontracting crews, and three concrete subcontractors working 16 hour shifts 6 days a week to complete this project. Now complete, the quad is the new focal point of the 100 year old campus, damaged and dated electrical feeders have been completely replaced, and most importantly the new wet utility infrastructure system has solved the campus' systemic issue of frequent building flooding, water damage, and field replacement due to previously insufficient site drainage.



### JEFFERSON ELEMENTARY SCHOOL

#### New Construction, Lennox, CA

**Total Construction Value:** \$22,400,000

**Delivery Method:** Lease-Leaseback

**Client:** Lennox School District

**Reference:** Carlos Avalos, Director of Facilities - (562) 577-7328

**Claims/Litigation:** None

Jefferson Elementary school consisted of all new construction of two (2) single story wood framed classroom buildings and two (2) two-story metal framed classroom buildings. The construction of these four buildings now provides an additional 50,500 sq ft of classroom space for this existing campus which will accommodate a projected 20% growth in enrollment. The project consisted of the demolition of existing structures, grading and construction of new concrete flatwork, an open student playfield, new play equipment and a parking lot. The project also incorporated specialty windows and doors for sound attenuation due to its close proximity to LAX.

In March of 2015, the school and the District celebrated the addition of these beautiful buildings that contain 34 classrooms and 12 faculty collaboration rooms along with a new parking lot, three basketball courts and a turf sports field. The construction of this school is an important event for the District as the addition of the campus was necessary to improve the quality of education for the students of the Lennox School District.



## C. Relevant Experience



### **NEWHART MIDDLE SCHOOL STEM Building, Mission Viejo, CA**

**Construction Value:** \$14,000,000

**Delivery Method:** Design-Bid-Build

**Client:** Capistrano Unified School District

**Client Reference:** John Forney, Chief Facilities Officer  
(949) 234-9200; jgforney@capousd.org

TCM is providing construction management services on the new construction of a 2 story 12 classroom science building. The classrooms contain science peninsulas for each student, a teaching station, acid waste lines for proper disposal, teaching spaces between classrooms, fume hoods, and the latest 21st century short throw projectors and smartboards.

### **ALISO NIGUEL HIGH SCHOOL STEM Building, Aliso Niguel, CA**

**Construction Value:** \$14,000,000

**Delivery Method:** Design-Bid-Build

**Client:** Capistrano Unified School District

**Client Reference:** John Forney, Chief Facilities Officer  
(949) 234-9200; jgforney@capousd.org

TCM is providing construction management services on the new construction of an 8 classroom science, technology, engineering, arts and mathematics (STEAM) building. The classrooms contain science labs with fume hoods, a teaching station, teaching spaces between classrooms, arts labs and the latest 21st century short throw projectors and smartboards.

## D. References



**El Dorado High School**  
*Placentia-Yorba Linda Unified School District*



## D. References



### William S. Hart Union High School District

**Mike Otavka, Director of Facilities, Planning and Construction**

21380 Centre Pointe Parkway, Santa Clarita, CA 91350

661-259-0033 ext. 274; motavka@hartdistrict.org

**Project:** Saugus High School Performing Arts Center

**Delivery Method:** CM-Multiple Prime

**Project Value:** \$18M

TCM oversaw the \$18M construction of a Performing Arts Center utilizing the Construction Manager-Multiple Prime delivery method. The design of the building features racked masonry walls with complex integrated structural features and will seat a total of 468 patrons. The new PAC serves as the entrance to the campus and provides a beautiful focal point for the community.



### Centinela Valley Unified High School District

**Ron Hacker, Assistant Superintendent Business Services**

14901 South Inglewood Ave., Lawndale, CA 90620

(310) 263-3201; rhacker@centinela.k12.ca.us

**Project:** Lawndale High School - Student Union and Kitchen

**Delivery Method:** CM-Multiple Prime

**Project Value:** \$22M

The Phase 2 Student Union consists of a new 41,000 SF building with 16 prime contracts totaling just over \$22 million dollars. TCM was charged with creating all the pertinent bid documents, scoping of work, bidder solicitation, and bidder evaluation and recommendation for this multi-prime contract. By performing daily solicitations and advertising per public code, TCM and the District were able to receive an overwhelming response and the bids were competitive and fell under the District's budget of \$25 million dollars. The building houses a Student Union, serving area, kitchen, and eight teaching stations. TCM was able to produce an overall change order percentage of -1.23% as value engineering was performed throughout the project.



### Lennox School District

**Carlos A. Avalos, Director of Facilities**

10319 Firmona Ave Lennox, CA 90304

(310) 695-4000; carlos\_avalos@lennoxk12.org

**Project:** Measure Q - Four New Classroom Building Additions

**Delivery Method:** CM-Multiple Prime

**Project Value:** \$24M

TCM is in the final month of overseeing the CMMP construction projects for 4 different school sites that are adding 32 classrooms in total. The project consists of three identical two-storied wood framed buildings that contain standardized classrooms within the buildings and 1 single-storied steel framed building that has 4 oversized STEM labs within the building. The project will modernize and expand campuses that have a growing enrollment and will provide adequate learning spaces and lessen the overcrowding conditions the schools are currently facing.



## D. References

### Lake Elsinore Unified School District

**Dr. Doug Kimberly, Superintendent**

545 Chaney Street, Lake Elsinore, CA 92530

(951) 253-7000; [doug.kimberly@leusd.k12.ca.us](mailto:doug.kimberly@leusd.k12.ca.us)

**Project:** Quad Replacement and All High Schools - Stadium and Field projects

**Delivery Method:** Design-Build and CM Agency

**Project Value:** \$12.3M

In order to ensure project success, TCM's field staff was given authority to make on-site design changes to the project due to various existing conditions that would have otherwise delayed the project, effectively making the project a design-build. TCM worked side by side with the District, Architect, and Contractor to complete this very complicated civil and infrastructure project on an extremely short timeline which necessitated managing two general contracting crews, two electrical subcontracting crews, and three concrete subcontractors working 16 hour shifts 6 days a week to complete this project.

Concurrent with the construction of the quad, our team managed the construction activities located at 4 high school campuses within the District that included the removal and replacement of a football/soccer stadium, new baseball/softball fields, and new track and field surfaces.



### Capistrano Unified School District

**John Forney, Chief Facilities Officer**

33122 Valle Rd, San Juan Capistrano, CA 92675

(949) 234-9200; [jgforney@capousd.org](mailto:jgforney@capousd.org)

**Project:** Ambuehl Elementary School Modernization

**Delivery Method:** Design-Bid-Build

**Project Value:** \$8M

TCM oversaw the fast paced modernization of an elementary school that consisted of upgrading the administration space, library and multipurpose room as well as the exterior play space and shade shelters. The project was constructed over the 62 day summer break and was completed on time and on budget.





## E. CM Experience, Approach and Methodology



**Temple City High School**  
*Temple City Unified School District*

## E. CM Experience, Approach and Methodology



TCM is currently managing over \$500 million of large scale capital improvement construction projects and programs of similar size and nature to the Orcutt Union School District. Our experience demonstrates a specific understanding of the Office of Public School Construction, the Division of State Architect, Public Contract Codes, and California Regulatory requirements culminating in successful educational facilities capital improvement projects. Our approach is an **inclusive collaborative process** that is focused on successfully delivering new and revitalized facilities that embody the critical vision of the district, school, and community. In order to achieve the goals of OUSD, TCM will implement a technical approach that has been developed through **our experience of managing over \$4.25 billion dollars of educational facility projects**, including hundreds of thousands of square feet of school renovations and expansions, with aggressive construction schedules, complicated logistics, and various delivery methods on occupied campuses.

In this Section we have illustrated our technical capability in regards to the general management approach for tasks TCM has identified for program and project success. Our intent is to bring unparalleled Construction Management Services support by providing experienced professionals equipped with the necessary tools to serve as an extension of the District in order to achieve project success.

### Pre-construction Services

**Fostering a TEAM Environment - TCM's business approach consistently provides services to the District and the design team in a professional and team-oriented manner.** Understanding the tremendous political and fiscal pressure the District faces in delivering projects on schedule and within budget, especially at operational campuses, TCM staff will work closely with the District to meet the objectives of the project and serve as an extension of their staff. This will include accurate reporting, clear communication with project stakeholders, consistent interface with the District, and responsiveness to any Board activities.

TCM will also work closely with the A/E on constructability reviews, value engineering, response to RFIs and submittals, owner-directed changes, and any requested change notices from the contractor/ subcontractor. Working in concert with the A/E, TCM will be steadfast in protecting the interests of the District.

**Planning and Design Budget Management** - TCM has learned that effective management of the budget and

scheduling process can determine the successful completion of a project. **The TCM budget development process relies very heavily on developing an interactive system that includes the owner, the architect, and a budgetary peer review at every stage.**

Typically, an initial budget will be developed from the architect's preliminary plans. We have found that a very successful technique is to have the architect provide an estimate based on his plans. We then perform an independent peer review estimate of the same plans and compare the results. These estimates are then reconciled against one another prior to proceeding to the next phase of design.

Value engineering during the early stages of the design process helps to keep the architect within the budget so that the design does not stray from what is practically possible to build with the funding available. This approach is applied at each step in the design development process, up to, and including, final construction documents. As a hedge against design changes that typically occur during the design development process, we generally include in our estimates a 10% design development contingency on all estimates.





## E. CM Experience, Approach and Methodology



1. Site Acquisition
2. Planning and Design
3. Construction
4. Testing (Construction Phase)
5. Inspection
6. Furniture and Equipment
7. Contingency

Each category contains sub-categories with associated object codes for a complete breakdown. We advise that initial budgets be developed and associated to each object code within the OPSC categories. This level of detail will also allow Facility Planners to thoroughly comprehend the scope of each project from initial planning stages to closeout. Ultimately, this will lead to tighter control of project costs and will ensure compliance with all state regulations.

All project costs will be reviewed and updated each period. Initial cost estimates will be prepared to identify the scope of work, list any assumptions or exclusions made during its preparation, and note any areas of significant risk. These cost estimates are consolidated into a budget and a cost baseline is established. **The baseline budget will include all cost elements, establish reasonable limits for each, and define the intent and amount for all project contingencies.**

Contingency amounts will be derived from a careful analysis of the risk of a cost overrun for that item and will be allocated accordingly. The baseline budget establishes a datum point to continuously measure progress and performance. This data will be integrated within the project management system.

**Constant Communication** - TCM must communicate clearly and completely with our design team partners in order to have a successful design phase. The implementation of our project management process is critical in establishing the team's expectations for the project. Working as an extension of the District, TCM has the responsibility to accurately define the scope and help guide the remaining design in order to avoid an increase in scope costs and re-design costs. **It is our practice that great communication will enable the project team to maintain a successful track for a timely project completion.**

**Regularly Scheduled Design Progress Meetings** - TCM will engage in regularly scheduled design meetings held to provide a forum in which the team can review, comment on, and plan the project together. Timely completion of action items and prompt decision making will be critical to the success of the Pre-construction phase and the ability of the project team to maintain the project schedule.

**Check and Re-Check** - The TCM team will continually compare the design documents with the Program/Project



budget documents to ensure that all design assumptions are noted within the established budget and if costs begin to escalate we will take proactive steps to curb excess costs and to reconcile the drawings to the budget. By the time 100% Construction Documents are released, there should be no surprises because every team member has had a hand in the project's development.

**Site Evaluation** - Comprehensive building and site investigation is critical when working on existing campuses. **Our team will perform a thorough investigation to uncover and identify the salient issues that exist at the sites and identify opportunities to reduce waste, reinforce project goals, and respect ongoing operations and utility service during construction.** In conjunction with the Architect and Consultants, existing utility lines will be investigated and sized in order to determine capacities versus proposed demand, and to minimize unforeseen conditions.



## E. CM Experience, Approach and Methodology



**Plan Review and Design Meetings** - A properly reviewed set of plans and special provisions will reduce conflicts in the field (where conflicts are more costly), provide more accurate schedules, improve the sequence of construction, enhance quality, develop workable specifications, help provide a more biddable project for the construction contractor, and potentially decrease construction costs and claims. TCM will not only review project documents for their completeness and interdisciplinary coordination, but also verify that the correct materials and details are being implemented with regard to district standards, value and availability, installation costs during construction and maintenance costs post construction.

**TCM will utilize a systematic and interdisciplinary approach to the constructability review process with a special focus on the areas of the plan that involve multiple trades in a single location.** We bring our lessons learned from the field to this process. We call constructability review a “process” because it is not enough to simply review a set of plans and send a report to the design team. The very success of the job is tied to how well the documents are coordinated. Once the plans have been reviewed, follow-up meetings with the design team are critical to ensure that any required changes are included in the revised documents. If the changes to the plans require DSA approval, we consider it part of the process to make certain that DSA approval occurs in a timely manner that allows for an on-schedule project bid.

**Constructability Review/Value Engineering** - We bring our lessons learned from the field to this process. We call constructability review a “process” because it is not enough to simply review a set of plans and send a report to the design team. The very success of the job is tied to how well the documents are coordinated. Once the plans have been reviewed, follow-up meetings with the design team are critical to ensure that any required changes are included in the revised documents and that any value engineering suggestions are incorporated. If the changes to the plans require DSA approval, we consider it part of the process to make certain that DSA approval occurs in a timely manner that allows for an on-schedule project bid.

It is important to TCM that we ensure that the integrity of the aesthetics of the building are maintained during the value engineering process as best as possible. We will first attempt to reduce costs in areas that do not impact aesthetics or finish materials when possible. In order to achieve this we pull from our historical database of building systems and analyze what systems and materials seem to be out of line with past systems/ materials and we propose an alternate that we feel is equal or better and the cost savings brings value to the District.

**Preliminary and Master Construction Schedule** - TCM employs Certified Primavera P6 company schedulers that, in conjunction with our Project Managers, will be responsible for generating and maintaining a comprehensive and dynamic project scheduling system. Utilizing Primavera P6 software, our team will first develop a Bid Schedule that includes advertisement dates, mandatory pre-bid job conferences, RFI submittal and response timelines, bid opening and anticipated contract award, and construction start dates.

Additionally, a Preliminary Construction Schedule will be developed and issued as a part of the bid documents, delineating any required project phasing, all definable features of work, critical milestones, and the overall construction duration. Upon execution of a contract, TCM will work in conjunction with the multiple contractors and create a cost-loaded, viable, and intelligent Master Baseline Schedule that will be monitored daily and updated monthly.



## E. CM Experience, Approach and Methodology



**Preliminary and Detailed Estimates** - TCM will provide cost estimates throughout the project and at regular project milestones. The cost estimates created will be accurate, traceable, and audit-proof, and will provide a structured and timely approach to the development, review, and implementation of approved estimates. **With respect to the dynamic nature of the industry and to ensure that estimates are current and appropriate, TCM routinely solicits real-time quotes from trades and manufacturers for integration into an existing library of historical cost data, current project information, and industry-recognized cost databases and publications.**

This data collection includes both economic and geographic considerations. The following procedures are strictly followed to ensure accuracy and quality in the estimates:

- Definition of Project Scope
- Parametric Estimating
- Quantity Measurement
- Market Conditions/Current Pricing Data/Forecasting
- Accuracy Review/Check Estimate
- Publish Estimate and Review with the Client
- Other Party Estimate Comparison
- Levels of Estimates

**Project Scoping** - Project scoping is heavily determined on the delivery method the District decides to choose at the beginning of each project. TCM is experienced at generating clear scopes of work that are peer-edited and further clarified by a responsibility matrix defining each trade's scope by CSI Section. This process avoids the scope ambiguity often found in multiple

bid packages, and eliminates unwanted and costly trade gaps and overlaps by producing responsive subcontractor bids.

### **Implementation of Project Document Controls System**

TCM utilizes a web based program, Procore, as its primary Project Management System which is further supported by the utilization of BlueBeam, Primavera P6, MS Project, and Revit and NavisWorks BIM systems. Over the last few years TCM has effectively managed its construction projects by being paperless with the use of the aforementioned construction administration software. The Procore system is not only free to use for all our clients, contractors, specialty contractors and design professionals, it also streamlines the management of all project controls such as RFIs, Submittals, Meeting Minutes, Daily Reports, etc. By using a role-based system, user access to project documents may be customized allowing for full edit or just viewing capabilities or a combination thereof. Furthermore, documents are instantaneously distributed to all appropriate parties and then managed and tracked on a daily basis. This allows for project transparency but also holds the team accountable for performance in regards to the review and response to critical documents.

In addition to serving as a consolidated, reliable and easily accessible database, Procore allows TCM to readily produce project document reports efficiently and effectively. For example, RFIs are generated and populated individually with specific information such as the initial date, question, sheet reference, detail, cost and schedule impact, etc., but also may be consolidated into a log for review and discussion at each progress meeting. On multi-year projects containing hundreds of RFIs, these can later be sorted and accessed within seconds. Similar methodologies are applied to Submittals, ASIs, Change Orders and other producible reports that may be customized to suit the client or audience for whom they are being presented to. TCM augments our streamlined document control and reporting program with other effective technology tools. Using Primavera P6 we not only generate master schedules delineating tasks and durations over multiple years, we also are able to electronically analyze construction schedules from the contractor that are also embedded and linked to critical activities in the Procore system. BlueBeam in combination with our electronic plan room allows for access to all plan and specification sheets in PDF format. These sheets are also hyperlinked to details, RFIs, Submittals, and Construction Photos allowing for immediately accessible as-built documents.





## E. CM Experience, Approach and Methodology



### Bidding/Award Phase Services

**Bidding Strategies and Bid Document Preparation:** TCM has extensive experience in the management of educational facility projects utilizing a variety of delivery methods and will present recommended bid strategies to the District on a project-specific basis, taking into account market conditions, project complexity, and project cost. **Regardless of project delivery, TCM will review and adapt the front-end bid documents and general and special conditions so they are both comprehensive and applicable to the individual project scope.**

**Construction Delivery Method Experience:** TCM has successfully managed educational facility projects utilizing all delivery methods and will present recommended bid strategies to the District on a project-specific basis, taking into account market conditions, project complexity, and project cost. Regardless of project delivery, TCM will review and adapt the front-end bid documents and general and special conditions so they are both comprehensive and applicable to the individual project scope. A brief summary of our approach to each Delivery Method is as follows:

**CM Multiple Prime:** On CM multiple prime projects, our knowledge and experience with the specialty contractor industry will support the development of subcontractor bid packages. We generate clear scopes of work that are peer-edited and further clarified by a responsibility matrix defining each trade's scope by CSI Section. This process avoids the scope ambiguity often found in multiple prime bid packages, and eliminates unwanted and costly trade gaps and overlaps by producing responsive subcontractor bids.

During the Multiple Prime bidding process, the District will have open book access to all project costs. This includes participation, to whatever level the District chooses, in the bidding and selection of subcontractors, which represents the costliest component of development. Throughout the project, TCM will serve as an extension of OUSD's staff, ensuring that the project stays on budget, schedule, and any changes are documented, and scrutinized for merit. TCM has been very successful in managing Multi-Prime projects over the last 22 years.

**Lease-Leaseback:** Although TCM has been utilizing the lease-leaseback delivery method for over a decade, we feel that with over two dozen recently completed projects we have become innovators in procurement and experts in implementation of this delivery system. While we still successfully complete projects utilizing a variety of delivery methods, from traditional hard bid to multiple-prime and design-build, the use of California Education Code 17406 "Lease-Leaseback" allows for a qualifications based selection, thus avoiding contracting with potentially inexperienced general contractors. This has been a valuable procurement and delivery for multiple districts, allowing them to contract directly with selected firms. This method is not without its challenges, however. Lease-leaseback is a delivery method best used to manage risk on behalf of the District. In our experience the best way to manage costs on a lease-leaseback project is to develop peer competition thus reducing overhead and profit margins. As such, TCM implements qualifications and quantitative (construction cost) selection requirements. By qualifying a pool of four or five firms, all of which exceeded minimum qualification and experience requirements, and then having said firms compete for construction costs, we found that overhead and profit margins were significantly reduced, becoming more in line with public bidding standards ranging from 3-5%.

**Traditional Design/Bid/Build:** Through extensive experience in K-12 school facility construction, TCM has established strong relationships with general and specialty contractors that are well qualified to bid and perform work for the District. TCM maintains an extensive bidder's list in which qualified subcontractors' information is organized by trade, allowing TCM to readily solicit bids to specific contractors. By increasing our efforts above the standard advertisements required by public contract code we maximize the number of quality bids received, often exceeding more than 10 bids per

## E. CM Experience, Approach and Methodology



trade. During the bid process, TCM will serve as the primary contact for all pre-bid RFIs received and, in conjunction with the Architect of Record and district staff, will generate and distribute bid addenda and conduct a mandatory prebid meeting in which project specifics and expectations are expressed to all potential bidders. In addition to a thorough review of the responsiveness and responsibility of each bid received, TCM will also perform a reference check, bid versus budget analysis, and post-bid interview with each apparent low subcontractor in order to efficiently organize and prepare a recommendation for award to the District.

**Construction Planning:** TCM has successfully managed educational facility projects utilizing all delivery methods and is prepared to work with the District on all bidding strategies, including timing, development of alternates, and bid package scoping. Understanding the importance of the implementation of a logistics plan that ensures the safety of staff and students with minimal impact to school operations, TCM will work collaboratively with the District and create a logistical plan that identifies staging of construction, staging areas, temporary fencing, office trailer placements, access, and all other aspects of the construction planning process.

**Site Logistics and Phasing:** Site Logistic planning is essential to project success on an occupied campus. A visual site plan indicating construction logistics not only communicates important information to the bidders, it also is an essential tool utilized during planning. **Logistics begins at the master planning stage and is continually evolving as each aspect of the project is refined.** A proper logistics plan supports the Architect by illustrating the sequence of phasing and therefore design; it supports the District and campus staff by clearly indicating pedestrian access, interim housing, temporary facilities, parking, and student safety; and it helps the contractor to identify site constraints, construction access, staging areas, utility shut-offs, and a multitude of other critical elements.

**Year Round, High Use, Occupied Campus:** Most school campuses are active year round, whether it be summer school, athletic practices and events, or joint-use activities. As such, the ability to manage construction surrounded by occupied buildings is a necessity and something that TCM is thoroughly familiar with. Our goal is to deliver each project with zero significant disruptions to the existing campus. **By implementing school classroom schedules into the contractor's CPM schedule we avoid disruption during critical times such as testing, performances, and large athletic events.** Existing utility lines are identified, marked, and protected in place prior to breaking ground in order to avoid emergency shut-downs and all necessary utility outages



are built into the CPM schedule to occur on non-student and staff days or after hours. Careful planning, experience, and constant communication will allow efficient construction progress without impact to surrounding staff and students.

### Bidding Phase Deliverables

- Project Bid Schedule
- Phasing and Duration Schedule
- Contractor Pre-qualification Documents, Review
- Criteria, Evaluation and Recommendation
- RFQ/Ps for Inspection and Testing Consultants
- Generate, Distribute, and Maintain Bid Documents
- Pre-Bid Conference Meeting Agenda and Minutes
- Receipt and Review of Pre-Bid RFIs, Creation and Distribution of Addenda w/Architect
- Bid Opening
- Review and Provide Recommendation of Award
- Provide Recommendations in Response to Bid
- Protests if Received

### Construction Phase Services

**Construction Management and Administration** - TCM's qualified professionals function as the owner's representative



## E. CM Experience, Approach and Methodology



to coordinate and schedule the operations of a single general contractor, multiple prime contractors, or subcontractors on a project. **Utilizing tested and proven management techniques, TCM professionals will manage all the construction-related elements of the project, including advice and recommendations during planning, design, and construction, for the purpose of controlling time, cost, and quality.**

We enforce strict performance requirements on all contractors and our staff proactively work with contractors in the field to ensure proper documentation and adherence to all client milestones, scheduling requirements, and safety compliance. A high level of importance is placed on proper document control requiring our field staff to maintain accurate up-to-date information in support of administration of the contract in the following key areas:

- Bid Management, Evaluation and Review
- Detailed Construction CPM Schedule
- Change Order Management and Administration
- Lines of Communication
- Quality
- Safety
- Commissioning and Post Construction Services
- Project Close-out

**Construction Meetings** - With a long history of project collaboration, TCM establishes clear lines of communication with the District, Architect, and Contractor(s) that will result in meeting or exceeding the design and construction schedules. Working as a team we will establish clear project roles and

contact procedures to ensure information is being communicated accurately in a timely fashion with the right people.

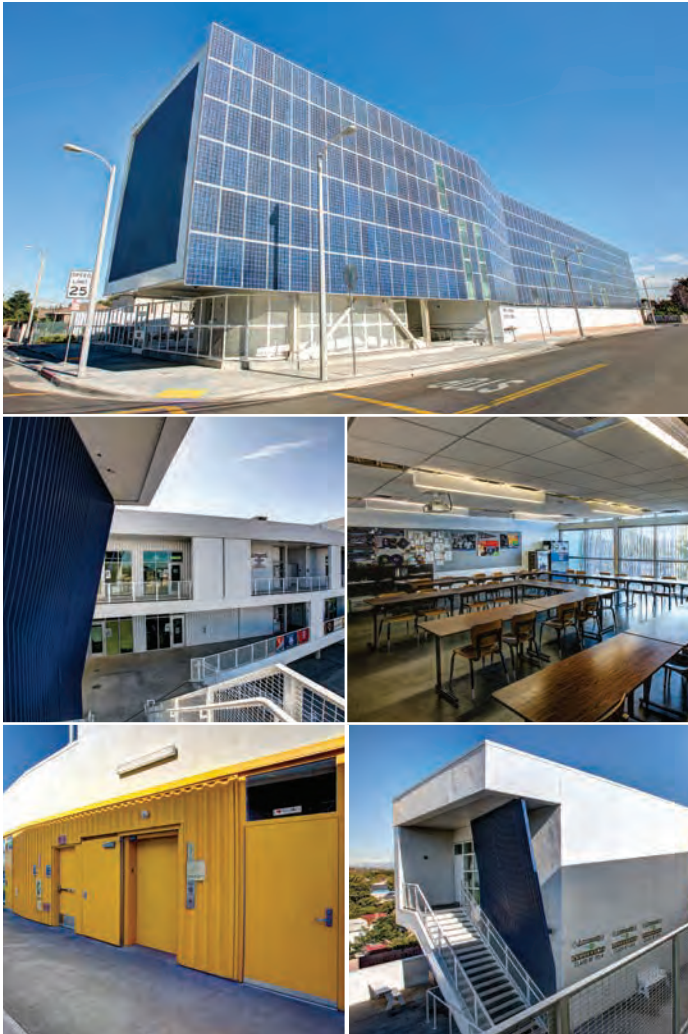
TCM's Project Manager will serve as the primary contact during Design and Construction ensuring consistency and timeliness of communication throughout the process. TCM's Construction Manager and the Architect's Construction Administrator will provide clear design leadership ensuring that the decisions made during the design process are carried through to construction. **Regular meetings with the project team during construction are used to assess progress, clarify tasks and expectations, identify potential obstacles or problems, review areas of conflict and develop solutions.** Our review process identifies conflicts and coordination issues as part of a formal interdisciplinary review and checking process. Meeting minutes will be produced within 48 hours of any meeting. Issue Logs will be developed that memorialize decisions, tasks, and documents that need to be corrected, changed, or submitted. As part of the weekly meetings, along with normal reports, we will review budget and estimate upgrades. The schedule will also be addressed at each meeting.

The goal is that all the stakeholders always have access to the project process and decisions made. Our team is committed to meeting the Design and Construction goals for the OUSD and will provide a straightforward line of communication both internally and with the project team as a whole to quickly and accurately provide information with a consistent team of professionals.

**Submittals** - As a part of our constructability review deliverable, TCM generates a Submittal Register, which lists all required submittals by CSI section. The Submittal Register is updated as the project design and contract documents are finalized, and distributed to the Project Team for review prior to the start of construction. Upon acceptance, the document serves as the control for the contractor to generate and submit all required items via the Procore System. TCM reviews the format and content of each submittal for general conformance to the technical specification and then distributes to the design team for review. In addition to documenting review comments, CSI section, and subsections, we track the processing time of each submittal including date received from the contractor, date transmitted to the Architect, date returned from the Architect, and the date the reviewed submittal is returned to the Contractor. Both a detailed report and roll-up log can be generated at any time to track progress and status.



## E. CM Experience, Approach and Methodology



**As-Builts** - The requirement for As-Builts will be written into the Front End Contract Documents contingent upon the District's preference regarding format, content, and medium. TCM manages an electronic plan room for all of our projects, which allows contractors and subcontractors to view and update the master as-built set of documents. The requirement for monthly updates are also written into the contract documents for which TCM must review and accept prior to payment being issued to the Contractor. TCM also uses BlueBeam software to post RFIs, Submittals, and Project Photos that are hyperlinked and embedded in the PDF as-built documents allowing for immediate and up to date information of construction progress.

**Change Order Management and Administration** - TCM develops a change control system in conjunction with the control budget. Planning for future change means developing a cost and schedule management plan that provides for

review and approval of proposed changes during design and construction, identifies approval levels required (a process when a formal review is not necessary), and what actions to take in an emergency.

TCM staff will closely monitor RFI logs and ensure immediate and complete responses to all requests. Potential Change orders will be reviewed and all change orders will be documented and executed in a timely manner. Potential changes will be communicated to the project controls team and included in all periodic budget reports.

**Cost control during construction is achieved through open channels of communications and awareness of variables that may impact implementation of the project.** As

potential cost exposures arise, TCM will immediately identify the item as a Potential Change Order (PCO), assign a number and log the PCO with projected time and costs impacts, and notify the Owner. Simultaneously, TCM will take an active approach in developing options or alternative strategies that may mitigate the PCO or avoid it altogether. Once these options are explored and vetted with the design team, and the PCO is found to be valid, TCM will meet with OUSD in order to present the change, its impact, and recommended action. Upon determining a course of action, TCM will monitor all costs such as manpower, materials, and schedule associated with the change.

Once a Change Order Request is received from the Contractor, TCM will utilize our collective knowledge as engineers, architects, estimators, and contractors in order to assess the true value of the change. Our complete and transparent review process will provide the most cost effective and time efficient solution to the management of change orders.

**Quality Assurance/Quality Control (QA/QC)** - Our Project Team is committed to delivering quality management services that ensure that the goals of project excellence are achieved and OUSD's expectations are met or exceeded. Our approach to Quality Management is an ongoing process that happens throughout the planning, design and construction process.

**This process starts with the underlying principle that QA/QC is not error catching, but error prevention and quality enhancement.** In order to achieve project quality enhancement through effective quality management, TCM will implement, maintain and manage a quality control process inclusive of the following:



## E. CM Experience, Approach and Methodology



- Integral quality management in our operations
- Continuous communication with OUSD - defining expectations at the onset
- Pride in our work
- Prevention not error catching
- Promote teamwork in the office and in the field
- Commitment to continuing professional education and training in-house
- Prompt response to client's request
- "Going That Extra Mile" for the project lessons learned in sharing information from recent similar projects
- Timely communication with clients and design team - office reviews
- Constant constructability review
- Construction administration - experiences and streamlined
- Post-construction services
- Building Information Modeling (BIM – clash detection and system integration)

TCM believes that our QA process will be instrumental in delivering a successful project that meets the project goals, with maximized project value within the established budget, schedule and scope. Our pursuit of excellence is ongoing and does not stop after construction is done, but requires that we examine the challenges, successes and opportunities so that we may continue to learn and grow for our future challenges.

### Post Construction and Project Closeout Phase Services

**Project Document Turnover (O&M/Warranties/As-BUILTs)** - When planning and constructing large facility improvement projects, we are astutely aware that the District will be inheriting the responsibility of the maintenance and management of these new, often more complex and larger facilities. As such, the document control of post construction/close-out items is just as critical as those during construction. **TCM ensures that closeout documents such as, warranties, operations and maintenance manuals, as-builts, and product information sheets not only conform to the requirements of the specification, but also are formatted and organized for easy reference by the District.** Hard copies of these documents are transmitted to the District but it is our preference to also provide a compiled electronic copy. Utilizing the hyperlinking function in BlueBeam, TCM is able

to consolidate all closeout documents into a single searchable PDF that can be placed on the District's server allowing for remote and expedient access.

**Division of State Architect (DSA) Certification** - TCM and its staff have extensive experience working with the DSA through the coordination and submission of various documents prepared by consultants and our interface with Project Inspectors. Our experience with the DSA has provided us with valuable insight into the need to plan for and schedule the DSA's plan review. The DSA plan check and back check must be considered when establishing construction start dates and occupancy dates for each project. TCM staff work very closely with the design team in order to ensure that the DSA's requirements are thoroughly addressed in order to avoid a prolonged DSA approval. This may include interaction with the civil engineers/surveyors to ensure a path of travel meets ADA Compliance, coordination of a proper soil report and structural design, or timely fire hydrant flow tests to ensure the DSA's Fire/Life/Safety requirements are met.

For projects that have been DSA-approved and are in construction, TCM works closely with the project inspector and architect to evaluate any construction changes that may require additional DSA review. This includes a review of



## E. CM Experience, Approach and Methodology



Construction Change Directives prior to DSA submittal to ensure that all items are properly coordinated and that an expedited review can be obtained without adversely affecting the construction schedule. **TCM's coordination with the DSA continues after construction, ensuring that all proper documentation is organized and submitted to the DSA for certification and project closeout.** This process has been recently streamlined with the DSA's Inspection Card Process and TCM has continued to provide valued service to ensure certification is received upon construction completion.

**Maintenance and Operating Training** - When planning and constructing large facility improvement projects, we are astutely aware that the District will be inheriting the responsibility of the maintenance and management of these new, often more complex and larger facilities. As such, TCM ensures that all training and tracking of training completion is done and is done in a timely manner. At the beginning of the project we will compile a submittal checklist and we treat the training of new equipment as a submittal item. Our staff will organize and schedule the training with the appropriate District personnel, equipment manufacturer and any other necessary parties and will videotape the training in its entirety so that the District has a copy of the training to look back upon when needed or for future training of new employees. This will then be turned over with all project documentation at the end of the project.

**Punch List and 10-Month Warranty Walk** - TCM prides itself in turning over high quality buildings to our clients. With that said, we take pride in doing a final punch list and ensuring that all items on the punch list are completed in a timely manner. In conjunction with the District and the Architect, TCM will conduct a job walk and compile the final punch list to one master list and will issue this to the contractor to finish before any retention will be released. This will ensure timely completion of the project and punch list activities resulting in a prompt close-out of the project.

TCM will also Conduct a 10-month warranty walk with the District and the contractor to ensure that all systems are functional and in proper operating condition prior to the expiration of any warranties. This will also provide the District with one last opportunity to point out issues with the building, equipment and any other items that are not in accordance with District expectations.





## F. Billing Rates



*Pierce College  
Los Angeles Community College District*

## F. Billing Rates



TCM considers our client's partners in the development of needed community assets. With this in mind, we have found our approach to fee and fee negotiations a process that builds our relationship with our clients. If TCM is the construction manager selected to build any of the upcoming OUSD projects, we are certain that we can develop a fee structure to meet your needs. Our program management fee typically runs between 1-3% of the bond value and will be negotiated in further detail dependent upon need by the District.

Please refer to the one year staffing plan that is provided on the next page and our billing rates below for 2020.

### Billing Rates

Presented below are the 2020 billing rates for TCM professionals. These rates are fully burdened and inclusive of all direct labor costs, insurance, travel, overhead, and profit and are not to exceed 8 hours in a day, 40 hours a week regardless of the hours required to finish the project. TCM's rates are subject to a 5% increase at the beginning of each calendar year.

POSITION	HOURLY BILL RATE
Principal in Charge	<i>No Charge</i>
Project Director	\$ 185
Program Manager	\$ 175
Project Manager	\$ 155
Controls Manager	\$ 140
Estimator	\$ 130
Scheduler	\$ 130
Construction Manager	\$ 150
Superintendent	\$ 160
Project Engineer	\$ 110
Project Administrator	\$ 70



PROPOSED STAFFING AND PROJECT MANAGEMENT FEE		1 YEAR STAFFING PLAN FOR SERIES 'A' PROJECTS																
																	Sub-Total Hours	Sub-Total Fee
		Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21			
Position	HR RATE																	
Project Executive	\$ 220																688	\$ 127,280
Project Director	\$ 185	64	48	48	48	48	48	48	48	48	48	48	48	48	48		2120	\$ 328,600
Project Manager	\$ 155	40	160	160	160	160	160	160	160	160	160	160	160	160	160		2080	\$ 228,800
Project Engineer	\$ 110		160	160	160	160	160	160	160	160	160	160	160	160	160		800	\$ 128,000
Superintendent	\$ 160		160	160	160	160	160											
Estimator	\$ 130																	
Project Administrator	\$ 70																	
General Conditions																		
Monthly Subtotal		\$ 18,040	\$ 76,880	\$ 76,880	\$ 76,880	\$ 76,880	\$ 76,880	\$ 76,880	\$ 76,880	\$ 76,880	\$ 76,880	\$ 76,880	\$ 76,880	\$ 76,880	\$ 76,880	\$ 13,000		
																	5688	\$ 825,680
		TOTAL																



# TELACU Construction Management

*Leading the Way in Design, Management and Construction.*

For more than four decades, TELACU, the nation's largest Community Development Corporation (CDC), has upheld the principle that business ventures should enhance communities and positively impact people's lives. The founders of TELACU, recognizing the ongoing need for the construction of assets that could benefit the community, such as schools, parks, municipal structures, roads, and infrastructure, formed TELACU Construction Management (TCM).

With the long-term future of Southern California communities in mind, TCM is committed to providing its clients and their communities with the leadership and innovation required for the successful management and completion of projects and programs.

TCM is a wholly owned subsidiary of TELACU Industries, the for-profit subsidiary of TELACU. The dollars earned by TCM and TELACU's other for-profit companies are actively reinvested in the communities they serve. These profits are used to fund social initiatives such as a nationally renowned scholarship program, more than 4,000 units of affordable housing, workforce development programs, and a variety of other initiatives to ensure economic equality and social justice.

While the impact of these social programs is significant, each subsidiary must uphold TELACU's standard of world-class service in the technical areas in which they operate. TCM is no exception. Since 1995, TCM has provided outstanding service to clients in construction management, program management, and construction services.

TCM is an industry leader in the management and design of private and public projects. Its award-winning professional team has brought management expertise to the completion of schools, public buildings, capital improvement projects, transportation, governmental and medical facilities, water transmission and distribution systems, public housing, and recreational centers. TCM's team of 65 experts provides unparalleled expertise in project and program management.

Utilizing rigorously tested and proven management techniques, TCM staff direct all project delivery services, including project development, design oversight, project funding, public outreach, and scheduling. Staff professionals coordinate and schedule all operations of design professionals, prime contractors, and project stakeholders. TCM staff provides complete consultative services during planning, design, and construction to control time, cost, and quality.

*TCM has worked with more than twenty-seven K-12 districts in California, completing more than \$3.2 billion of construction as a construction manager or a general contractor.*



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## TELACU Construction Management

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**AGREEMENT FOR CONSTRUCTION MANAGEMENT SERVICES  
BY AND BETWEEN  
ORCUTT UNION SCHOOL DISTRICT  
AND  
TELACU CONSTRUCTION MANAGEMENT, INC.  
FOR  
DISTRICT’S MEASURE G, SERIES A BOND PROGRAM PROJECTS & OTHER FACILITY PROJECTS**

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## AGREEMENT FOR CONSTRUCTION MANAGEMENT SERVICES

This Agreement for Construction Management Services ("Agreement") is made as of the 8th day of April, 2020, between the **Orcutt Union School District** ("District") and **TELACU Construction Management, Inc.** ("Consultant ") (individually a "Party," and collectively the "Parties"), for the construction management and administration of the following project:

- District's Measure G, Series A funded projects ("Program") and other facility projects as assigned by the District and mutually approved by the Parties (collectively the "Project"). (See **Exhibit "A"** for Project scope).

That for and in consideration of the mutual covenants herein contained, the Parties hereto agree as follows:

### Article 1. Definitions

- 1.1. In addition to the definitions above, the following definitions for words or phrases shall apply when used in this Agreement, including all Exhibits:
  - 1.1.1. **Agreement:** The Agreement consists exclusively of this document and all identified exhibits attached and incorporated by reference.
  - 1.1.2. **Architect:** The architect(s) that the District designates as being the architect(s) for all or a portion of the Project, including all consultants to the Architect(s). The Architect is a member of the Design Team.
  - 1.1.3. **Consultant:** The entity listed in the first paragraph of this Agreement, including any and all consultant(s), sub-consultant(s), subcontractor(s), or agent(s) to the Consultant
  - 1.1.4. **Construction Budget:** The total amount indicated by the District for the Project plus all other costs, including design, construction, administration, financing, and all other costs.
  - 1.1.5. **Construction Cost Budget:** The total cost to District of all elements of the Project designed or specified by the Design Team, as adjusted at the end of each design phase in accordance with this Agreement. The Construction Cost Budget does not include the compensation of the Design Team, the Consultant, the cost of the land, rights-of-way, financing or other costs which are the responsibility of the District.
  - 1.1.6. **Design Team:** The architect(s), engineer(s), and other designer(s) that the District designates as designing all or a portion of the Project, including all consultants to the architect(s), engineer(s) or other designer(s), who have a responsibility to the District to design all or a portion of the Project either directly or as a subconsultant or subcontractor.
  - 1.1.7. **District:** The Orcutt Union School District.
  - 1.1.8. **DSA:** The Division of the State Architect.
  - 1.1.9. **Extra Services:** Extra Services are defined in **Exhibit "B."**
  - 1.1.10. **Fee:** The Consultant 's Fee is defined herein, payable as set forth herein and in **Exhibit "D."**

- 1.1.11. **Service(s):** All labor, materials, supervision, services, tasks, and work that the Consultant is required to perform and that are required by, or reasonably inferred from, the Agreement, and that are necessary for the design and completion of the Project.

## **Article 2. Scope, Responsibilities and Services of Consultant**

- 2.1. **Scope:** Consultant shall provide the Services described herein and under **Exhibit "A"** for the Project. The parties agree that the Consultant's Services described herein are based on a construction manager / general contractor structure on the Project(s). The District reserves the right to change this structure including, without limitation, utilizing a construction manager / multiple-prime structure, a design-build structure, or a lease-leaseback structure, each of which the Parties agree may require the Consultant's Fee and Scope as well as certain terms and conditions of this Agreement to be adjusted by an amendment, in writing and signed by both Parties.
- 2.2. **Coordination:** In the performance of Consultant's services under this Agreement, Consultant agrees that it will maintain such coordination with District personnel and/or its designated representatives, as may be requested and desirable. This shall include, without limitation, coordination with all members of the District's Design Team, and the persons responsible for operation of the District's Labor Compliance Program, if any. If the Consultant employs Consultant(s), the Consultant shall ensure that its contract(s) with its Consultant(s) include language notifying the Consultant(s) of the District's Labor Compliance Program, if any.
- 2.3. **Consultant's Services:** Consultant shall act as the District's agent to render the Services and furnish the work as described in **Exhibit "A,"** which will commence upon the receipt of a Notice to Proceed (NTP) signed by the District representative. The Parties anticipate that in performance of the Services, District will issue a NTP for each construction or facility project that is performed pursuant to this Agreement. Consultant's services will be completed in accordance with the schedule set forth in **Exhibit "C"** or in the project's schedule included in the project-specific NTP.

## **Article 3. Consultant Staff**

- 3.1. The Consultant has been selected to perform the Services herein because of the skills and expertise of key individuals.
- 3.2. The Consultant agrees that the following key people in Consultant's firm shall be associated with the Project in the following capacities:
- |                      |              |
|----------------------|--------------|
| Director:            | Blaine Yoder |
| Project Manager:     | TBD Mutually |
| Project Engineer:    | TBD Mutually |
| Site Superintendent: | TBD Mutually |
- 3.3. The Consultant shall not change any of the key personnel listed above without prior written approval by District, unless said personnel cease to be employed by Consultant. In either case, District shall be allowed to interview and approve replacement personnel.
- 3.4. If any designated lead or key person fails to perform to the satisfaction of the District, then upon written notice the Consultant shall immediately remove that person from the Project and provide a temporary replacement. Consultant shall within seven (7) days provide a permanent replacement person acceptable to the District. All lead or key personnel for any Consultant must also be designated by the consultant and are subject to all conditions previously stated in this paragraph.

- 3.5. Consultant represents that the Consultant has no existing interest and will not acquire any interest, direct or indirect, which could conflict in any manner or degree with the performance of services required under this Agreement and that no person having any such interest shall be employed by Consultant .

**Article 4. Schedule of Work**

The Consultant shall commence work under this Agreement upon receipt of a Notice to Proceed, and shall prosecute the work diligently as described in **Exhibit "A"** in accordance with the schedule attached as **Exhibit C** or as set forth in a project specific NTP. Time is of the essence and failure of Consultant to perform work on time as specified in this Agreement is a material breach of this Agreement.

**Article 5. Construction Cost Budget**

- 5.1. The Consultant shall have responsibility to develop, review, and reconcile the Construction Cost Budget with the Design Team and the District throughout construction.
- 5.2. The Construction Cost Budget shall be the total cost to District of all elements of the Project designed or specified by the Project design professional(s). The Construction Cost Budget does not include the compensation of the Consultant, the Project design professional(s), sub-consultants, the cost of the land, rights-of-way, financing or other costs which are the responsibility of the District.
- 5.3. Evaluations of the District's Construction Budget, and preliminary and detailed cost estimates prepared by the Consultant, represent the Consultant's best judgment as a professional familiar with the construction industry.

**Article 6. Fee and Method of Payment**

- 6.1. District shall pay Consultant:
- A not-to-exceed amount up to **One Million Dollars (\$1,000,000)** for all services contracted for under this Agreement and based on the hourly Fee Schedule attached to **Exhibit "D."**
- 6.2. District shall pay Consultant the Fee pursuant to the provisions herein and in **Exhibit "D."**
- 6.3. No increase in Fee will be due from change orders generated during the construction period to the extent caused by Consultant's error.

- 6.4. The Consultant 's fee ("Fee") set forth in this Agreement shall be full compensation for all of Consultant 's Services incurred in the performance hereof as indicated in **Exhibit "D"**, including, without limitation, all costs for personnel, travel, overhead, profit, per diem expenses, printing, providing, or shipping of deliverables in the quantities set forth in **Exhibit "A."**

**Article 7. Payment for Extra Services**

- 7.1. District-authorized Services outside of the scope in **Exhibit "A"** or District-authorized reimbursables not included in Consultant 's Fee are "Extra Services." Any charges for Extra Services shall be paid by the District as described in **Exhibit "B"** only upon certification that the claimed Extra Services were authorized in writing in advance by the District and that the Extra Services have been satisfactorily completed.
- 7.2. A written proposal describing the proposed scope of services and listing the personnel, labor duration, rates, and cost shall be submitted by the Consultant to the District for written approval before proceeding with any Extra Services.

**Article 8. Ownership of Data**

After completion of the Project or after termination of this Agreement, Consultant shall deliver to District a complete set of Project records, including without limitation all documents generated by Consultant , copies of all documents exchanged with or copied to or from all other Project participants, and all closeout documents. Project records shall be indexed and appropriately organized for easy use by District personnel. All Project records are property of the District, whether or not those records are in the Consultant 's possession.

**Article 9. Termination of Agreement**

- 9.1. If Consultant fails to perform Consultant 's duties to the satisfaction of the District, or if Consultant fails to fulfill in a timely and professional manner Consultant 's material obligations under this Agreement, or if Consultant violates any of the material terms or provisions of this Agreement, the District shall have the right to terminate this Agreement effective immediately upon the District giving written notice thereof to the Consultant . In the event of a termination pursuant to this subdivision, Consultant may invoice District for all work performed until the notice of termination, but District shall have the right to withhold payment and deduct any amounts equal to the District's costs because of Consultant 's actions, errors, or omissions that caused the District to terminate the Consultant .
- 9.2. District shall have the right in its sole discretion to terminate the Agreement for its own convenience. In the event of a termination for convenience, Consultant may invoice District and District shall pay all undisputed invoice(s) for work performed until the notice of termination. This shall be the only amount(s) potentially owing to Consultant 's if there is a termination for convenience.
- 9.3. The Consultant has the right to terminate this Agreement if the District does not fulfill its material obligations under this Agreement and fails to cure such material default within sixty (60) days, or if the default cannot be cured within sixty (60) days, commence to cure such default, diligently pursue such cure, and complete the cure within a reasonable time following written notice and demand from Consultant . Such termination shall be effective after receipt of written notice from Consultant to the District.
- 9.4. Except as indicated in this Article, termination shall have no effect upon any of the rights and obligations of the Parties arising out of any transaction occurring prior to the effective date of such

termination.

- 9.5. If, at any time in the progress of the Project, the governing board of the District determines that the Project should be terminated, the Consultant, upon written notice from the District of such termination, shall immediately cease work on the Project. The District shall pay the Consultant only the Fee associated with the Services provided, since the last invoice that has been paid and up to the notice of termination.
- 9.6. If the Project is suspended by the District for more than one hundred and eighty (180) consecutive days, the Consultant shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the schedule shall be adjusted and the Consultant's compensation shall be equitably adjusted to provide for expenses incurred in the resumption of the Consultant's services. Upon resumption of the Project after suspension, the Consultant will take all reasonable efforts to maintain the same Project personnel.

#### **Article 10. Indemnity**

- 10.1. Consultant shall indemnify, protect, and hold free and harmless the District, its agents, representatives, officers, consultants, employees, trustees, members, and volunteers ("Indemnified Parties") from any and all actions, assessments, counts, citations, claims, costs, damages, demands, judgments, liabilities (legal, administrative or otherwise), losses, notices, expenses, fines, penalties, proceedings, responsibilities, violations, attorney's and consultants' fees and causes of action, including personal injury and/or death ("Claim(s)"), to the extent that the Claim(s) arises out of, pertains to, or relates to the negligence (active or passive, ordinary or gross), recklessness (ordinary or gross), errors or omissions, or willful misconduct of Consultant, its directors, officials, officers, employees, contractors, subcontractors, consultants, subconsultants, or agents directly or indirectly arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement. This indemnity excludes Consultant's liability as to the active or sole negligence or willful misconduct of the District.
- 10.2. Consultant shall defend and pay all costs, expenses and fees to defend the Indemnified Parties, from any and all Claim(s), to the extent that the Claim(s) arises out of, pertains to, or relates to the alleged negligence (active or passive, ordinary or gross), recklessness (ordinary or gross), errors or omissions, or willful misconduct of Consultant, its directors, officials, officers, employees, contractors, subcontractors, consultants, subconsultants, or agents directly or indirectly arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement. District shall have the right to accept or reject any legal representation that Consultant proposes to defend the Indemnified Parties.

#### **Article 11. Fingerprinting**

- 11.1. Unless the District has determined pursuant to Education Code section 45125.2 that on the basis of scope of work in this Agreement that Consultant and its subcontractors and employees will have only limited contact with pupils, the Consultant shall comply with the provisions of Education Code section 45125.01 regarding the submission of employee fingerprints to the California Department of Justice and the completion of criminal background investigations of its employees. The Consultant shall not permit any employee to have any contact with District pupils until such time as the Consultant has verified in writing to the governing board of the District that the employee has not been convicted of a felony, as defined in Education Code section 45122.1. The Consultant's responsibility shall extend to all employees, agents, and employees or agents of its subcontracts regardless of whether those individuals are paid or unpaid, concurrently employed by the District, or acting as independent contractors of the Consultant. Verification of compliance with this section and the Criminal Background Investigation Certification (**Exhibit "E"**) shall be



provided in writing to the District prior to each individual's commencement of employment or participation on the Project and prior to permitting contact with any student.

- 11.2. No drugs, alcohol, and/or smoking are allowed at any time in any buildings and/or grounds on District property. No students, staff, visitors, or contractors are to use drugs on these sites.
- 11.3. Unacceptable and/or loud language will not be tolerated. "Cat calls" or other derogatory language toward students or public will not be allowed.

**Article 12. Responsibilities of the District**

- 12.1. The District shall examine the documents submitted by the Consultant and shall render decisions so as to avoid unreasonable delay in the process of the Consultant's services.
- 12.2. The District shall provide to the Consultant complete information regarding the District's requirements for the Project.
- 12.3. The District shall retain design professional(s) whose services, duties and responsibilities shall be described in written agreement(s) between the District and design professional(s).
- 12.4. The District shall, in a timely manner, and with Consultant's assistance, secure, submit and pay for necessary approvals, easements, assessments, permits and charges required for the construction, use, or occupancy of permanent structures or for permanent changes in existing facilities, subject to Consultant's and/or the design professional(s) duties to recommend or provide same.
- 12.5. The District, its representatives, and consultants shall communicate with the contractor either directly or through the Consultant.
- 12.6. During the Construction Phase of the Project, the District may require that the contractors submit all notices and communication relating to the Project directly to the Consultant.
- 12.7. The District shall designate an officer, employee, and/or other authorized representatives to act on the District's behalf with respect to the Project. The District's representative for the Project shall be available during working hours and as often as may be required to render decisions and to furnish information in a timely manner.

**Article 13. Liability of District**

- 13.1. Other than as provided in this Agreement, District's obligations under this Agreement shall be limited to the payment of the compensation provided in this Agreement. Notwithstanding any other provision of this Agreement, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the services performed in connection with this Agreement.
- 13.2. Any and all costs incurred by District, or for which District may become liable, to the extent caused by negligent delays of Consultant in its performance hereunder, shall be paid to District by Consultant as provided for herein and/or under California law.
- 13.3. District shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Consultant, or by its employees, even though such equipment be furnished or loaned to Consultant by District.

- 13.4. The Consultant hereby waives any and all claim(s) for recovery from the District under this Agreement, which loss or damage is covered by valid and collectible insurance policies. Consultant agrees to have its required insurance policies endorsed to prevent the invalidation of insurance coverage by reason of this waiver. This waiver shall extend to claims paid, or expenses incurred, by Consultant's insurance company on behalf of the District.

**Article 14. Insurance**

- 14.1. Consultant shall procure prior to commencement of the work of this Agreement and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, their agents, representatives, employees and Consultant(s).
- 14.2. **Minimum Scope and limits of Insurance:** Coverage shall be at least as broad as the following scopes and limits:
- 14.2.1. **Commercial General Liability.** Two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- 14.2.2. **Commercial Automobile Liability, Any Auto.** Two million dollars (\$2,000,000) per accident for bodily injury and property damage.
- 14.2.3. **Workers' Compensation.** Statutory limits required by the State of California.
- 14.2.4. **Employer's Liability.** Two million dollars (\$2,000,000) per accident for bodily injury or disease.
- 14.2.5. **Professional Liability.** This insurance shall cover the Consultant and his/her Consultant(s) for two million dollars (\$2,000,000) aggregate limit subject to no more than twenty-five thousand dollars (\$25,000) per claim deductible, coverage to continue through completion of construction plus two years thereafter. The policy must contain terms or endorsements extending coverage that requires the insurer to defend and indemnify for acts which happen before the effective date of the policy provided the claim is first made during the policy period.
- 14.3. The District reserves the right to modify the limits and coverages described herein by addenda, with appropriate credits or changes to be negotiated for such changes.
- 14.4. **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention exceeding \$25,000 must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the District, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- 14.5. **Other Insurance Provisions:** The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:
- 14.5.1. All policies except for the professional insurance policy shall be written on an occurrence form.

- 14.5.2. The District, the Consultant , their representatives, consultants, trustees, officers, officials, employees, agents, and volunteers ("Additional Insureds") are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Consultant ; instruments of service and completed operations of the Consultant ; premises owned, occupied or used by the Consultant ; or automobiles owned, leased, hired or borrowed by the Consultant . The coverage shall contain no special limitations on the scope of protection afforded to the Additional Insureds.
- 14.5.3. For any claims related to this Project, the Consultant 's insurance coverage shall be primary insurance as respects the Additional Insureds. Any insurance or self-insurance maintained by the Additional Insureds shall be in excess of the Consultant 's insurance and shall not contribute with it.
- 14.5.4. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Additional Insureds.
- 14.5.5. The Consultant 's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- 14.5.6. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District.
- 14.6. **Acceptability of Insurers:** Insurance is to be placed with insurers admitted in California with a current A.M. Best's rating of no less than A:VII.
- 14.7. **Verification of Coverage:** Consultant shall furnish the District with:
  - 14.7.1. Certificates of insurance showing maintenance of the required insurance coverage;
  - 14.7.2. Original endorsements affecting general liability and automobile liability coverage. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the District before work commences.

**Article 15. Nondiscrimination**

Consultant agrees that no discrimination shall be made in the employment of persons under this Agreement because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status of such person. Consultant shall comply with any and all regulations and laws governing nondiscrimination in employment.

**Article 16. Covenant Against Contingent Fees**

Consultant warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant , to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the Consultant , any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent on or resulting from the award or making of this Agreement. For breach or violation of this warranty, the District shall have the right to annul this Agreement without liability, or in its discretion, to deduct from the contract price or consideration or otherwise recover, the full amount of such fee, commission, percentage fee, gift, or contingency.

**Article 17. Entire Agreement/Modification**

This Agreement, including the Exhibits hereto, supersedes all previous contracts and constitutes the entire understanding of the parties hereto. Consultant shall be entitled to no other benefits than those specified herein. No changes, amendments, or alterations shall be effective unless in writing and signed by both Parties. Consultant specifically acknowledges that in entering this Agreement, Consultant relies solely upon the provisions contained in this Agreement and no others.

**Article 18. Non-Assignment of Agreement**

In as much as this Agreement is intended to secure the specialized services of the Consultant , Consultant may not assign, transfer, delegate or sublet any interest therein without the prior written consent of District and any such assignment, transfer, delegation or sublease without the District's prior written consent shall be considered null and void. Likewise, District may not assign, transfer, delegate, or sublet any interest therein without the prior written consent of Consultant and any such assignment, transfer, delegation or sublease without Consultant 's prior written consent shall be considered null and void.

**Article 19. Law, Venue**

- 19.1. This Agreement has been executed and delivered in the State of California and the validity, enforceability and interpretation of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California.
- 19.2. The county in which the District administration office is located shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

**Article 20. Alternative Dispute Resolution**

All claims, disputes, or controversies arising out of, or in relation to the interpretation, application or enforcement of this Agreement may be decided through mediation as the first method of resolution. If this method proves unsuccessful, then all claims, disputes or controversies as stated above may be decided through arbitration, if agreed to by all Parties.

**Article 21. Severability**

If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

**Article 22. Employment Status**

- 22.1. Consultant shall, during the entire term of Agreement, be construed to be an independent contractor and nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow District to exercise discretion or control over the professional manner in which the Consultant performs the services which are the subject matter of this Agreement; provided always, however, that the services to be provided by Consultant shall be provided in a manner consistent with all applicable standards and regulations governing such services.
- 22.2. Consultant understands and agrees that the Consultant's personnel are not and will not be eligible for membership in or any benefits from any District group plan for hospital, surgical or medical insurance or for membership in any District retirement program or for paid vacation, paid sick leave or other leave, with or without pay or for other benefits which accrue to a District employee.
- 22.3. Should District, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Department, or both, determine that Consultant is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Consultant which can be applied against this liability). District shall then forward those amounts to the relevant taxing authority.
- 22.4. Should a relevant taxing authority determine a liability for past services performed by Consultant for District, upon notification of such fact by District, Consultant shall promptly remit such amount due or arrange with District to have the amount due withheld from future payments to Consultant under this Agreement (and offsetting any amounts already paid by Consultant which can be applied as a credit against such liability).
- 22.5. A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Consultant shall not be considered an employee of District. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Consultant is an employee for any other purpose, then Consultant agrees to a reduction in District's liability resulting from this Agreement pursuant to principles similar to those stated in the foregoing paragraphs so that the total expenses of District under this Agreement shall not be greater than they would have been had the court, arbitrator, or administrative authority determined that Consultant was not an employee.
- 22.6. Nothing in this Agreement shall operate to confer rights or benefits on persons or entities not a party to this Agreement.

**Article 23. Warranty of Consultant**

- 23.1. Consultant warrants that the Consultant is properly licensed and/or certified under the laws and regulations of the State of California to provide all the services that it has herein agreed to perform.
- 23.2. Consultant certifies that it is aware of the provisions of the Labor Code of the State of California, that require every employer to be insured against liability for workers compensation or to undertake self-insurance in accordance with the provisions of that code, and it certifies that it will comply with those provisions before commencing the performance of the work of this Agreement.
- 23.3. Consultant certifies that it is aware of the provisions of California Labor Code that require the payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects (“Prevailing Wage Laws”). Since the Consultant is performing work as part of an applicable “public works” or “maintenance” project, and since the total compensation is One Thousand Dollars (\$1,000) or more, the Consultant agrees to fully comply with and to require its Consultant(s) to fully comply with all applicable prevailing wage requirements of the California Labor Code. Copies of the prevailing rate of per diem wages are on file with the District/COE.

**Article 24. Cost Disclosure - Documents and Written Reports**

Consultant shall be responsible for compliance with California Government Code section 7550, if the total cost of the Agreement is over Five Thousand Dollars (\$5,000).

**Article 25. Communications / Notice**

Notices and communications between the Parties may be sent to the following addresses:

<u>District</u>	<u>Consultant</u>
Orcutt Union School District 500 Dyer Street Orcutt, CA 93455 ATTN: Assistant Superintendent, Business Services	TELACU Construction Management, Inc. 604 North Eckhoff Street Orange, CA 92868 ATTN: John Clem, President

The Parties, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

**Article 26. Disabled Veteran Business Enterprise Participation**

Pursuant to section 17076.11 of the Education Code, the District has a participation goal for disabled veteran business enterprises (DVBEs) of at least three percent (3%), per year, of funds expended each year by the District on projects that use funds allocated by the State Allocation Board pursuant to the Leroy F. Greene School Facilities Act (the Act). This Project may use funds allocated under the Act. Therefore, to the extent feasible, the Consultant shall provide to the District certification of compliance with the procedures for implementation of DVBE contracting goals, appropriate documentation identifying the amount paid to DVBEs in conjunction with the contract, and documentation demonstrating the Consultant’s good faith efforts to meet these goals.



**Article 27. Other Provisions**

- 27.1. The Consultant shall be responsible for the cost of construction change orders caused directly by the Consultant 's willful misconduct or negligent acts, errors or omissions. Without limiting Consultant 's liability for indirect or consequential cost impacts, the direct costs for which the Consultant shall be liable shall equal its proportionate share of the difference between the cost of the change order and the reasonable cost of the work had such work been a part of the originally prepared construction documents.
- 27.2. Neither the District's review, approval of, nor payment for, any of the services required under this Agreement shall be construed to operate as a waiver of any rights under this Agreement, and Consultant shall remain liable to the District in accordance with this Agreement for all damages to the District caused by Consultant 's failure to perform any of the services furnished under this Agreement to the standard of care of the Consultant for its Services, which shall be, at a minimum, the standard of care of construction managers performing similar work for California school districts at or around the same time and in or around the same geographic area of the District.
- 27.3. Each party warrants that it has had the opportunity to consult counsel and understands the terms of this Agreement and the consequences of executing it. In addition, each party acknowledges that the drafting of this Agreement was the product of negotiation, that no party is the author of this Agreement, and that this Agreement shall not be construed against any party as the drafter of the Agreement.
- 27.4. The Consultant acknowledges that the District is a public agency that is subject to heightened curiosity by the news media and the public and that the Consultant may not be apprised of all facts surrounding the Project that Consultant is working on. Accordingly, Consultant shall promptly refer all inquiries from the news media or public concerning this Agreement or its performance under the Agreement to the District, and Consultant shall not make any statements or disclose any documents to the media or the public relating to the performance under this Agreement or the effects caused thereby. If Consultant receives a complaint from a citizen or member of the public concerning the performance or effects of this Agreement, it shall promptly inform the District of that complaint. In its sole discretion, the District shall determine the appropriate response to the complaint.
- 27.5. Consultant represents that it has no existing interest and will not acquire any interest, direct or indirect, which could conflict in any manner or degree with the performance of the Services and that no person having any such interest shall be employed by Consultant .
- 27.6. Consultant and its Subconsultants, and employee(s) shall maintain the confidentiality of all information received in the course of performing the Services. Consultant understands that student records are confidential and agrees to comply with all state and federal laws concerning the maintenance and disclosure of student records. This requirement to maintain confidentiality shall extend beyond the termination of this Agreement.
- 27.7. **Exhibits A through E** and all Certificates attached hereto are hereby incorporated by this reference and made a part of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date(s) indicated below.

Dated: April 8, 2020

**Orcutt Union School District**

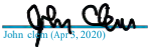
By: \_\_\_\_\_

Print Name: William C. Young

Print Title: Asst. Supt. – Business Services

Dated: April 3, 2020

**TELACU Construction Management, Inc.**

By:  \_\_\_\_\_  
John Clem (Apr 8, 2020)

Print Name: John Clem

Print Title: President

**EXHIBIT "A"**  
**RESPONSIBILITIES AND SERVICES OF CONSTRUCTION MANAGER**

Consultant shall provide professional services necessary for completing the following:

**1. GENERAL CONSTRUCTION MANAGEMENT SERVICES**

- 1.1. Provide work which shall comply with professional standards and applicable requirements of federal, state, and local law.
- 1.2. Advise the District as to the regulatory agencies that have jurisdiction over the Project, and as to coordination with and implementation of the requirements of the regulatory agencies, including without limitation the Division of the State Architect and the Office of Public School Construction.
- 1.3. Contract for or employ, at Consultant's expense, Consultant(s) to the extent deemed necessary for Consultant's services. Nothing in the foregoing shall create any contractual relationship between the District and any Consultant(s) employed by the Consultant under terms of this Agreement.
- 1.4. Cooperate with other professionals employed by the District for the design, coordination or management of other work related to the Project.
- 1.5. Chair, conduct and take minutes of periodic meetings between District and its design professional(s) of the Site Committee meetings, and of construction meetings during the course of the projects. Consultant shall invite the District and/or its representative to participate in these meetings. Consultant shall keep meeting minutes to document comments generated in these meetings, but shall not be responsible for analyzing design issues raised in said meetings.
- 1.6. Be responsible for the professional quality and technical accuracy of all cost estimates, constructability reviews, studies, reports, projections, opinions of the probable cost of construction, and other services furnished by Consultant under this Agreement as well as coordination with all Master Plans, studies, reports and other information provided by District to Consultant. Consultant shall, without additional compensation, correct or revise any errors or omissions in the deliverables it generates.
- 1.7. Maintain a log of all meetings, site visits or discussions held in conjunction with the work of this Project, with documentation of major discussion points, observations, decisions, questions or comments. These shall be furnished to the District and/or its representative for inclusion in the overall Project documentation.
- 1.8. At the request of the District, develop a Management Information System (MIS) to assist in establishing communications between the District, Consultant, design professional(s), contractor(s) and other parties on the Project. In developing the MIS, the Consultant shall interview the District's key personnel and others in order to determine the type of information to be managed and reported, the reporting format, the desired frequency for distribution of the various reports, the degree of accessibility by potential users, and the security protocol for the system.
- 1.9. Coordinate transmittal of documents to regulatory agencies for review and shall advise the District of potential problems in completion of such reviews.
- 1.10. Provide and maintain a management team on the Project site.

- 1.11. Provide documentation, pictures, and other information and assistance to the District for the District's use on a website for public access to show Project status.
- 1.12. Cooperate and coordinate with the persons responsible for operation of the District's labor compliance program, if applicable.
- 1.13. Comply with any storm water management program that is approved by the State and County and applicable to the Project, at no additional cost to the District.
  - 1.13.1. Ensure that all Project contractor(s), Project sub-contractor(s) and Consultant 's Consultant(s) comply with any District-approved storm water management program that is applicable to the Project, at no additional cost to the District.
- 1.14. Provide direction and planning to ensure Project adherence to applicable environmental requirements such as those emanating from the Environmental Protection Agency (EPA), Cal/EPA, the California Environmental Quality Act ("CEQA"), Air Quality Management District and State of California and Regional Water Quality Control Board laws, regulations and rules. The Consultant shall comply with, and ensure that all contractors and their subcontractors and Design Team and their sub-consultants comply with, any storm water pollution prevention plans, other storm water management program and other environmental impact mitigation requirements that are approved by the District and applicable to the Project, at no additional cost to the District.
- 1.15. Consultant is NOT responsible for the following scopes of work or services, but shall assist the District in procuring these scopes of work or services when required and Consultant shall coordinate and integrate its work with any scopes of work or services provided by District related to the following:
  - 1.15.1. Ground contamination or hazardous material analysis.
  - 1.15.2. Any asbestos testing, design or abatement.
  - 1.15.3. Compliance with the CEQA, except that Consultant shall provide current information for use in CEQA compliance documents.
  - 1.15.4. Historical significance report.
  - 1.15.5. Soils investigation.
  - 1.15.6. Geotechnical hazard report.
  - 1.15.7. Topographic survey, including utility locating services.
  - 1.15.8. Other items specifically designated as the District's responsibilities under this Agreement.

## **2. GENERAL SERVICES**

- 2.1. **General:** Monitor and advise the District as to all material developments in the Project. Consultant shall develop and implement with District approval reporting methods for schedules, cost and budget status, and projections for the Project. Consultant shall be the focal point of all communication to and from construction contractor(s) and shall be copied on all communications between District and its Design Team.

- 2.2. **Scheduling:** Prepare methods to track and report on schedule status for the Project. Consultant shall develop master schedules and milestone schedules for the Project and shall report on same each month to the District.
- 2.3. **Cost Controls:** Prepare and implement methods to budget and track all expenditures on the Project. Consultant shall generate monthly reports to the District reflecting this information.
- 2.4. **Communications to Board:** The Consultant may be required to attend each meeting of the District's governing board, and to provide updates at each meeting. In addition, the Consultant shall attend District property committee meetings, Facilities Sub Committee, Citizen Bond Oversight Committee meetings, or other Project-related meetings within the community.

### 3. PRECONSTRUCTION PHASE

- 3.1. Provide overall coordination of the Project; serve as the focal point of communication, transmitting information to the District and Project team on general aspects of the Project, including planning, scheduling, cost management, progress reporting, design review, dispute resolution, and documentation. Communications from the contractor(s) to District and Project Design Team shall be through the Consultant. The Consultant shall receive simultaneous copies of all written communications from the District or the Project Design Team to the contractor(s).
- 3.2. Develop and implement District-approved implementation procedures, forms, and reporting requirements for the Project that involve all members of the Project teams, including District, Design Team, and construction contractor(s).
- 3.3. **Value Engineering.** Provide value engineering that will consist of a review of the proposed materials, equipment, systems and other items depicted in the Design Documents and shall be coordinated with the District's design guidelines and the Design Team. The Consultant will prepare a value engineering report that will document the results of the evaluation and make recommendations to the District with respect to alternatives, deletions, or amendments of such proposed items that pertain to the anticipated construction costs, useful life, maintenance and operational costs and efficiencies. The Consultant shall provide to the District value engineering recommendations and cost/benefit analysis of those recommendations.
  - 3.3.1. Value engineering is expected to be an ongoing process to determine ways to build a more efficient and economical Project without reducing its quality and meet its goals and objectives.
- 3.4. **Constructability Reviews.** The Consultant shall review the design documents for clarity, consistency, constructability and coordination. The results of the review shall be provided in writing and as notations on the documents to the District. The Consultant's actions in reviewing the Project design and design documents and in making recommendations as provided herein are advisory only to the District. The Design Team members are not third party beneficiaries of the Consultant's work described in this paragraph and the Design Team members remains solely responsible for the contents of design drawings and design documents.
- 3.5. Establish schedules for the soils consultant, for any hazardous materials testing and other consultants, and review costs, estimates, and invoices of each.
- 3.6. Develop and implement a management control system to support such functions as planning, organizing, scheduling, budgeting, reporting progress and identifying and documenting problems and solutions for the Project. The system will allow for monthly progress reports to the District regarding the schedule for the Project.

- 3.7. Organize an initial planning workshop to create baseline parameters for the Project, to define overall building requirements, Project strategy, conceptual budget and schedule. Pursuant to understandings reached at these meetings, Consultant will develop an implementation plan that identifies the various phases of the Project, coordination among phases, and budget and time constraints for each phase of the Project. The plan will include a detailed strategy, master budget and master schedule as well as identification of critical events and milestone activities.
- 3.8. Consultant shall in consultation with District and according to District approved policies, procedures, and standards, implement procedures, forms, and reporting requirements for the Project. Establish, accordingly, a communications procedure for the Project that allows for decision making at appropriate levels of responsibility and accountability.
- 3.9. Work with the Design Team to modify or add to standard, special, or general conditions for Contract Documents that might be needed for unique Project or bid package conditions, for District's approval.
- 3.10. Work with the Design Team to separate the construction phase for the Project into bid packages.
- 3.11. Conduct pre-award conferences with successful contractors.
- 3.12. Schedule and conduct preconstruction meetings; maintain, prepare, and distribute minutes.
- 3.13. Coordinate with District staff, contractor(s), and school site staff, and develop a construction staging plans that shall accommodate, without limitation, school site occupancy, parking, traffic, and safety.
- 3.14. Ensure that contractor(s) timely obtain all required permits, inspections, and approvals necessary to complete the Project.

#### **4. CONSTRUCTION PHASE**

- 4.1. Administer the construction contracts.
- 4.2. Monitor the construction contractor(s) to verify that tools, equipment, and labor are furnished and work performed and completed within the time as required or indicated by the plans and specifications, to the satisfaction of the District. Consultant expressly agrees to verify that the specifications are met, observed, performed, and followed in accordance with the professional standards of care for construction management. Consultant shall not, however, be responsible for directing construction contractor(s)' means and methods.
- 4.3. Assist District in resolving issues pertaining to the plans and specifications. Assist District in review and approval of requests for substitution of materials or any deviation from the plans and specifications that are made by the Design Team or contractor(s).
- 4.4. Coordinate work of the construction contractor(s) and effectively manage the project to achieve the District's objectives in relation to cost, time and quality. Consultant shall not, however, be responsible for directing construction contractor(s)' means and methods.
- 4.5. Conduct construction meetings for the Project to discuss and resolve such matters as progress, quality and scheduling. Said meetings shall be weekly unless Project conditions do not require that frequency. Prepare and promptly distribute minutes. When required by field or other conditions, construction progress, or the quality of workmanship, conduct special construction meetings;



record, prepare, and distribute minutes of these meetings to the District, the affected construction contractor(s), and the Design Team.

- 4.6. Attend Project job site meetings.
- 4.7. Ensure that construction contractor(s) provide construction schedules as required by their construction contracts, including activity sequences and durations, submittal schedule, or procurement schedule for products that require long lead time. Consultant shall review construction contractor(s)' construction schedules for conformity with the requirements of the construction contract(s) and conformity with the overall schedule for the Project. Where construction contractor(s)' construction schedules do not so conform, Consultant will take appropriate measures to secure compliance, subject to District approval.
- 4.8. Ensure construction contractor(s)' compliance with the requirements of their respective construction contracts for updating, revising, and other obligations relative to their respective construction schedules. Consultant shall incorporate construction contractor(s)' construction schedule updates and revisions into the Project construction schedule.
- 4.9. Continually monitor whether construction contract requirements are being fulfilled and recommend courses of action to the District when contractor(s) fails to fulfill contractual requirements.
- 4.10. The Consultant may authorize minor variations in the work from the requirements of the contract documents that do not involve an adjustment in the contract price or the contract time or design and which are consistent with the overall intent of the contract documents. The Consultant shall provide to the Design Team and the District copies of these authorizations.
- 4.11. Develop, implement, and coordinate with assistance from the District, the Design Team, and the Project Inspector(s) ("Inspector"), procedures for the submittal, review, verification and processing of applications by contractor(s) for progress and final payments for all construction contracts.
- 4.12. The Consultant shall review the Contractor(s)' Safety Program submittals and review and document the implementation of the Contractor(s)' Safety Program. The Consultant shall report any observed deviations from the Contractor(s)' Safety Program and applicable CalOSHA requirements to the appropriate contractor personnel and follow-up with a written safety notice to both the contractor and the District. Neither the Consultant nor the District shall be responsible for or have any liability for contractors(s) failure to provide, comply with or enforce said safety programs.
- 4.13. Record the progress of the Project by a daily log.

- 4.14. Monitor ongoing Project costs to verify that projected costs do not exceed approved budget and provide the District timely notice of any potential increase in costs in excess of approved budgets provided to Consultant.
- 4.15. Negotiate contractor's proposals and review change orders prepared by the Design Team, with the Design Team's input as needed, for approval by the District's governing board. Coordinate with Contractor(s) and Design Team to provide District change order documentation in standard District format. Assist District to prepare reports for the District's governing board on change orders and the status of all Project contingency funds.
- 4.16. Maintain a change order log for the Project and implement procedures to expedite processing of change orders.
- 4.17. Implement procedures for issues identification and resolution of actual or potential claims of construction contractor(s) and take actions to mitigate all claims against the District and attempt to eliminate and/or settle all claims.
- 4.18. Assist District in selecting and retaining special consultants including, without limitation, project inspectors, hazardous materials consultants, geotechnical engineers, surveyors, and testing laboratories, and coordinate their services.
- 4.19. Assist District in review and approval of uses of any Project contingency fund.
- 4.20. In conjunction with the Inspector and the Design Team, monitor work of the construction contractor(s) to determine that the work is being performed in accordance with the requirements of the Construction Documents and all DSA requirements. As appropriate, with assistance from the Design Team and the Inspector, make recommendations to District regarding special inspection or testing of work that is not in accordance with the provisions of the construction Contract Documents.
- 4.21. To protect District against defects in the work of the construction contractor(s), Consultant shall establish and implement a quality control program to monitor the quality and workmanship of construction for conformity with:
  - 4.21.1. Accepted industry standards;
  - 4.21.2. Applicable laws, rules, or ordinances; and
  - 4.21.3. The design documents and Contract Documents;
- 4.22. Where the work of a Construction contractor does not conform as set forth above, Consultant shall, with the input of the Design Team:
  - 4.22.1. Notify the District of any non-conforming work observed by the Consultant;
  - 4.22.2. Reject the non-conforming work; and
  - 4.22.3. Take any and all action(s) necessary to compel the construction contractor(s) to correct the work.
- 4.23. Maintain logs of requests for information ("RFI") from construction contractor(s), based on information obtained from the Design Team.

- 4.24. Establish and implement procedures, in collaboration with the District and the Design Team, for expediting the processing and approval of shop drawings, product data, samples, and other submittals for each contract. Receive and transmit all submittals from the Construction contractor(s) to the Design Team for review and approval. Maintain submittal and shop drawing logs.
- 4.25. Record the progress of work at the Project. When present, prepare daily reports for the Project containing a record of weather, construction contractor(s) present and their number of workers, work accomplished, problems encountered, and other relevant data.
- 4.26. Prepare and distribute monthly project status reports for the Project, including updates on project activities, progress of work, outstanding issues, potential problems, schedule, status of RFIs, change orders, and submittals.
- 4.27. Maintain at the Project site and, if necessary at the District Facilities office, a current copy of all approved documents, drawings, specifications, addenda, change orders and other modifications, and drawings marked by the construction contractor(s) to record all changes made during construction. These shall include shop drawings, product data, samples, submittals, applicable handbooks, maintenance and operating manuals and instructions, and other related documents and revisions which are relevant to the contract work. Maintain records of principal building layout lines, elevations of the bottom of footings, floor levels, and key site elevations as provided by the construction contractor(s). At the completion of the Project, deliver all such records to District. Construction contractor(s) and the Design Team share responsibility to prepare "Record Drawings" and "As-Built" documents.

## **5. PROJECT COMPLETION**

- 5.1. The Consultant shall observe, with District's maintenance personnel, the construction contractor's check-outs of utilities, operational systems and equipment, and start-up and testing. The Consultant shall maintain records of start-up and testing as provided by the construction contractor(s), ensure District of compliance with applicable provisions of the contract(s), that all work has been performed and accepted, and that all systems are complete and operative.
- 5.2. At the punch list phase of the Project or designated portions thereof, the Consultant shall, in consultation with the Architect(s), the Design Team and Inspector, ensure the preparation of a list of incomplete or unsatisfactory work or work which does not conform to the requirements of the contract documents ("punch list work") and a schedule for the completion of the punch list work. The Consultant shall provide this list to the construction contractor(s). The Consultant shall coordinate construction contractors' performance and completion of punch list work. The Consultant shall review the completed punch list work with the District, the Architect(s), the Design Team and Inspector. The Consultant shall ensure, with input from these entities, that the completed punch list work complies with applicable provisions of the Construction contract(s).
- 5.3. The Consultant shall determine, with the District, the Architect(s), the Design Team and Inspector, when the Project or designated portions thereof are complete.
- 5.4. The Consultant shall conduct, with the District, the Architect(s), the Design Team and Inspector, final inspections of the Project or designated portions thereof. The Consultant shall notify District of final completion.

- 5.5. The Consultant shall consult with the District, the Architect(s), the Design Team and Inspector and shall determine when the Project and the contractor's work are finally completed. The Consultant shall assist with the issuance of a Certificate of Final Completion, and shall provide to the District a written recommendation regarding payment to the contractors.

## **6. FINAL DOCUMENTS**

- 6.1. The Consultant shall review, monitor and approve all as built drawings, maintenance and operations manuals, warranty/guarantee certificates, and other closeout documents to be sure all required documents meeting contract requirements are provided, and shall secure and transmit to the District those documents and all required guarantees, keys, manuals, record drawings, and daily logs. The Consultant shall also forward all documents and plans to the District upon completion of the project and ensure all such plans and documents are well organized for any appropriate audit or review of the Project.
- 6.2. The Consultant shall use its best efforts and all due diligence to ensure all Project participants provide all required closeout documents and information on a timely basis and to not cause a delay in Project completion or DSA's approval of the Project."

## **7. WARRANTY**

The Consultant shall implement a Warranty Inspection and Warranty Work procedure that all contractors are to follow. The procedure shall include a twelve (12) month call back period and a final warranty inspection eleven (11) months after Project completion to inspect the Project and identify any outstanding warranty work.

## **8. AUDIT**

Consultant shall establish and maintain books, records, and systems of account, in accordance with generally accepted accounting principles, reflecting all business operations of Consultant transacted under this Agreement. Consultant shall retain these books, records, and systems of account during the Term of this Agreement and for five (5) years thereafter. Pursuant to Government Code Section 8546.7, this Agreement shall be subject to examination and audit of the State Auditor as specified in the code. Consultant shall permit the District, its agent, other representatives, or an independent auditor to audit, examine, and make excerpts, copies, and transcripts from all books and records, and to make audit(s) of all billing statements, invoices, records, and other data related to the Services covered by this Agreement. Audit(s) may be performed at any time, provided that the District shall give reasonable prior notice to Consultant and shall conduct audit(s) during Consultant's normal business hours, unless Consultant otherwise consents.

**EXHIBIT "B"**  
**CRITERIA AND BILLING FOR EXTRA SERVICES**

The following Extra Services to this Agreement shall be performed by Consultant if needed and requested by District as indicated in the Agreement. The rates identified in the Fee Schedule attached to **Exhibit "D"** include overhead, administrative cost and profit and shall be utilized in arriving at the fee for Extra Services:

1. Providing services required because of significant documented changes in the Project initiated by the District, including but not limited to size, quality, complexity, the District's schedule, or method of bidding or negotiating and contracting for construction.
2. Providing consultation concerning replacement of work damaged by fire or other cause during construction and furnishing services required in connection with replacement of such work.
3. Providing services made necessary by the default of contractor(s), or by major defects or deficiencies in the work of the contractor, or by failure of performance of the District's consultants, or in the absence of a final Certificate of Payment, more than sixty (60) days after the date of completion of work on the Project involved.
4. The selection, layout, procurement or specification at the District's request of movable furniture, furnishings, equipment or other articles that are not included in the Contract Documents.
5. Providing surveys relative to future facilities, systems or equipment which are not intended to be constructed during the Construction Phase.
6. Preparing to serve or serving as a witness in connection with any public hearing (except for a contractor's hearing necessitated by its request to substitute a subcontractor), dispute resolution proceeding or legal proceeding, other than that necessitated by the negligent acts, errors or omissions of Consultant or where the Consultant is party thereto.
7. Performing technical inspection and testing.
8. Providing any other services not otherwise included or reasonably inferred by the terms in this Agreement or not customarily furnished in accordance with generally accepted scope of project construction management practice.

**EXHIBIT "C"**  
**SCHEDULE OF WORK**

**[TO BE AGREED TO BY THE PARTIES AND ATTACHED PRIOR TO EXECUTION OF THE AGREEMENT.]**

The following facilities projects are included in the scope of work, unless mutually modified through an approved addendum and an authorized notice to proceed:

	<b>Project</b>
1	Innovation Center Project
2	OAHS RR Modernization
3	Olga Reed Cafeteria Alteration/Mod
4	Pine Grove School Site Safety Security/Parking Lot
5	OAHS School Site Safety and Security Project
6	Joe Nightingale School Site Safety and Security Project
7	Joe Nightingale Portable/Playground Project
8	Alice Shaw Full Day Kindergarten Facility Project
9	Patterson Road Full Day Kindergarten Facility Project
10	Pine Grove Full Day Kindergarten Facility Project
11	Ralph Dunlap Full Day Kindergarten Facility Project
12	Lakeview JHS School Site Safety and Security/Admin Bldg.
13	Orcutt JHS School Site Safety and Security/Admin Bldg.
14	Orcutt JHS Portable Relocation
15	Olga Reed Site Conduit

Other non-bond projects may be mutually added, not to exceed the total contract amount.



**EXHIBIT "D"**  
**FEE SCHEDULE**

**1. Compensation**

- 1.1. The Consultant fee set forth in this Agreement and in a specific Project's NTP shall be full compensation for all of Consultant Services incurred in its performance, including, without limitation, overhead, administrative cost, profit, all costs for personnel, travel, offices, per diem expenses, printing, providing, or shipping of deliverables in the quantities set forth in **Exhibit A**. Consultant's fee shall not exceed 8 hours in a day, 40 hours a week regardless of the hours required to finish the Project.
- 1.2. The Fee shall not exceed the amount set forth in the Agreement, including all billed expenses, without advance written approval of the District. The Fee shall be paid on an hourly basis as indicated below ("Fee Schedule").

<b><u>Job Title</u></b>	<b><u>Name</u></b>	<b><u>Hourly Rate</u></b>
Principal in Charge	John Clem, President	No Charge
Project Director	Blaine Yoder	\$185.00
Program Manager	To Be Determined and Approved by the District	\$175.00
Project Manager	To Be Determined and Approved by the District	\$155.00
Controls Manager	To Be Determined and Approved by the District	\$140.00
Estimator	To Be Determined and Approved by the District	\$130.00
Scheduler	To Be Determined and Approved by the District	\$130.00
Consultant	To Be Determined and Approved by the District	\$150.00
Superintendent	To Be Determined and Approved by the District	\$160.00
Project Engineer	To Be Determined and Approved by the District	\$110.00
Project Administrator	To Be Determined and Approved by the District	\$70.00

- 1.3. For Services performed related to Series "A" projects, Consultant's fee for the first year of the Term of this Agreement shall not exceed the 1 Year Staffing Plan for Series "A" Projects set forth in Consultant's Statement of Qualifications for Construction Management Services, dated March 30, 2020. The Staffing Plan is incorporated herein and made a part hereof by this reference.
- 1.4. District shall retain one percent (1%) of Consultant's fee or Ten Thousand Dollars (\$10,000), whichever is greater, until DSA has approved the Project.

**2. Method of Payment**

- 2.1. Consultant shall submit monthly invoices on a form and in the format approved by the District.
- 2.2. Consultant shall submit these invoices in duplicate to the District via the District's authorized representative.
- 2.3. Consultant shall submit to District on a monthly basis documentation showing proof that payments were made to his/her Consultants.
- 2.4. Upon receipt and approval of Consultant's invoices, the District agrees to make payments on all undisputed amounts within sixty (60) days of receipt of the invoice.

**3. Hourly Rates**

- 3.1. The following rates, which include overhead, administrative cost and profit, shall be utilized in arriving at the fee for Extra Services and shall not be changed for the term of the Agreement. Consultant shall bill in quarter-hour increments for all Extra Services.

<b><u>Job Title</u></b>	<b><u>Name</u></b>	<b><u>Hourly Rate</u></b>
Principal in Charge	John Clem, President	No Charge
Project Director	Blaine Yoder	\$185.00
Program Manager	To Be Determined and Approved by the District	\$175.00
Project Manager	To Be Determined and Approved by the District	\$155.00
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Estimator	To Be Determined and Approved by the District	\$130.00
Scheduler	To Be Determined and Approved by the District	\$130.00
Consultant	To Be Determined and Approved by the District	\$150.00
Superintendent	To Be Determined and Approved by the District	\$160.00
Project Engineer	To Be Determined and Approved by the District	\$110.00
Project Administrator	To Be Determined and Approved by the District	\$70.00

- 3.2. The rates are fully burdened and inclusive of all direct labor costs, insurance, travel, overhead and profit.

**EXHIBIT "E" - CERTIFICATIONS**

**FINGERPRINTING/CRIMINAL BACKGROUND INVESTIGATION CERTIFICATION**

One of the three boxes below **must** be checked, with the corresponding certification provided, and this form attached to the Independent Consultant Agreement for Professional Services ("Agreement"):

☐ **[TO BE COMPLETED BY AUTHORIZED DISTRICT EMPLOYEE ONLY.]** Consultant's employees will have only limited contact, if any, with District pupils and the District will take appropriate steps to protect the safety of any pupils that may come in contact with Consultant's employees so that the fingerprinting and criminal background investigation requirements of Education Code section 45125.1 shall not apply to Consultant for the services under this Agreement. As an authorized District official, I am familiar with the facts herein certified, and am authorized to execute this certificate on behalf of the District. (Education Code § 45125.1 (c))

Date: \_\_\_\_\_  
District Representative's Name and Title:  
Signature: \_\_\_\_\_

X The fingerprinting and criminal background investigation requirements of Education Code section 45125.1 apply to Consultant's services under this Agreement and Consultant certifies its compliance with these provisions as follows: *"Consultant certifies that the Consultant has complied with the fingerprinting and criminal background investigation requirements of Education Code section 45125.1 with respect to all Consultant's employees, subcontractors, agents, and subcontractors' employees or agents ("Employees") regardless of whether those Employees are paid or unpaid, concurrently employed by the District, or acting as independent contractors of the Consultant, who may have contact with District pupils in the course of providing services pursuant to the Agreement, and the California Department of Justice has determined that none of those Employees has been convicted of a felony, as that term is defined in Education Code section 45122. 1. A complete and accurate list of all Employees who may come in contact with District pupils during the course and scope of the Agreement is attached hereto."*

☐ Consultant's services under this Agreement shall be limited to the construction, reconstruction, rehabilitation, or repair of a school facility and although all Employees will have contact, other than limited contact, with District pupils, pursuant to Education Code section 45125.2 District shall ensure the safety of the pupils by at least one of the following as marked:

\_\_\_\_\_ The installation of a physical barrier at the worksite to limit contact with pupils.


\_\_\_\_\_ Continual supervision and monitoring of all Consultant's on-site employees of Consultant by an employee of Consultant, \_\_\_\_\_, whom the Department of Justice has ascertained has not been convicted of a violent or serious felony.

\_\_\_\_\_ Surveillance of Employees by District personnel. **[TO BE COMPLETED BY DISTRICT]**

Date: \_\_\_\_\_  
District Representative's Name and Title:  
Signature: \_\_\_\_\_

**[TO BE COMPLETED BY CONSULTANT]** I am a representative of the Consultant entering into this Agreement with the District and I am familiar with the facts herein certified, and am authorized and qualified to execute this certificate on behalf of Consultant.

Date: April 3, 2020  
Name of Consultant or Company: TELACU Construction Management, Inc.

Signature:   
Print Name and Title: John Clem, President

**ROOFING CONTRACT FINANCIAL INTEREST CERTIFICATION**  
**(Public Contract Code section 3006)**

PROJECT/CONTRACT NO.: \_\_\_\_\_ between \_\_\_\_\_ **School District**  
("District" or "Owner") and \_\_\_\_\_ ("Consultant")  
("Contract" or "Project").

I \_\_\_\_\_, \_\_\_\_\_  
Name Name of Consultant

certify that I have not offered, given, or agreed to give, received, accepted, or agreed to accept, any gift, contribution, or any financial incentive whatsoever to or from any person in connection with the roof project contract on this project. As used in this certification, "person" means any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

Furthermore, I \_\_\_\_\_, \_\_\_\_\_  
Name Name of Consultant

certify that I do not have, and throughout the duration of the contract, I will not have, any financial relationship in connection with the performance of this contract with any architect, engineer, roofing consultant, materials manufacturer, distributor, or vendor that is not disclosed below.

I \_\_\_\_\_, \_\_\_\_\_  
Name Name of Consultant

Have the following financial relationships with an architect, engineer, roofing consultant, materials manufacturer, distributor, or vendor, or other person in connection with the following roof project contract:

Name of firm ("Firm"): \_\_\_\_\_

Mailing address: \_\_\_\_\_

Addresses of branch office used for this Project: \_\_\_\_\_

If subsidiary, name and address of parent company: \_\_\_\_\_

I certify that to the best of my knowledge, the contents of this disclosure are true, or are believed to be true.

Date: \_\_\_\_\_

Proper Name of Consultant : \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

### TUBERCULOSIS CLEARANCE CERTIFICATION

The undersigned does hereby certify to the governing board of the District as follows:

I am a representative of the Consultant currently entering into this Agreement with the District and I am familiar with the facts herein certified and am authorized and qualified to execute this certificate on behalf of Contractor.

Consultant's responsibility for tuberculosis clearance extends to all of its employees, subcontractors, and employees of subcontractors coming into contact with District pupils regardless of whether they are designated as employees or acting as independent contractors of the Consultant.

Consultant certifies that at least one of the following items applies to the services that are the subject of the Agreement:

☐

The Consultant ensures that any person providing any portion of the Services has submitted to an examination within the past 60 days to determine that he or she is free of active **tuberculosis**, by a physician or surgeon. A complete and accurate list of Contractor's employees and of all of its subcontractors' employees who may come in contact with District pupils during the course and scope of the Agreement is attached hereto; and/or

☐

Consultant's services under the Agreement are to be provided at an unoccupied school site only and/or will not be done on any District property and no employee and/or subcontractor or supplier of any tier of Agreement shall come in contact with District pupils.

Date: \_\_\_\_\_

Proper Name of Consultant: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_






# Orcutt SD\_CM Agreement\_Exhibits A-E Telacu April 2020[3]

Final Audit Report

2020-04-03

Created:	2020-04-03
By:	Julie Payne (jpayne@orcutt-schools.net) Signed
Status:	CBJCHBCAABAAi_e1NX6U6O3ABGj8YqtlF1SmQuHPMQVP
Transaction ID:	

## "Orcutt SD\_CM Agreement\_Exhibits A-E Telacu April 2020[3]" History

-  Document created by Julie Payne (jpayne@orcutt-schools.net)  
2020-04-03 - 9:02:30 PM GMT- IP address: 50.207.11.230
-  Document emailed to John clem (jclem@telacu.com) for signature  
2020-04-03 - 9:03:32 PM GMT
-  Email viewed by John clem (jclem@telacu.com)  
2020-04-03 - 9:28:08 PM GMT- IP address: 172.88.214.248
-  Document e-signed by John clem (jclem@telacu.com)  
Signature Date: 2020-04-03 - 9:35:42 PM GMT - Time Source: server- IP address: 172.88.214.248
-  Signed document emailed to John clem (jclem@telacu.com) and Julie Payne (jpayne@orcutt-schools.net)  
2020-04-03 - 9:35:42 PM GMT



Adobe Sign





## BUSINESS SERVICES MEMORANDUM

TO: Board of Trustees  
Debbie Blow, Ed.D.

FROM: Bill Young  
Assistant Superintendent, Business Services

BOARD MEETING DATE: April 8, 2020

BOARD AGENDA ITEM: Alice Shaw, Pine Grove, Patterson Rd., Ralph Dunlap, and Joe Nightingale Full Day Kindergarten Projects

BACKGROUND: According to the State's Full Day Kindergarten Grant program, vigorous efforts are undertaken to ensure that the expenditures of the grant, are in strict conformity with the law.

The governing board of Orcutt Union School District shall have oversight, and approve all grant projects and expenditures. Below is the estimated Alice Shaw (AS), Pine Grove (PG), Patterson Rd. (PR), Ralph Dunlap (RD), and Joe Nightingale (JN) Full Day Kindergarten Project Budget:

Full Day Kindergarten Projects	AS Total	RD Total	PG Total	PR Total	JN Total
Budget	\$ 512,952	\$ 512,952	\$ 542,952	\$ 1,037,904	\$ 3,704,064
Cabinetry/Electrical/Solo Tubes	\$ 57,330	\$ 57,330	\$ 57,330	\$ 114,660	\$ 401,310
10% Contingency	\$ 51,295	\$ 51,295	\$ 54,295	\$ 103,790	\$ 370,406
<b>Total Hard Costs</b>	<b>\$ 621,577</b>	<b>\$ 621,577</b>	<b>\$ 654,577</b>	<b>\$ 1,256,354</b>	<b>\$ 4,475,780</b>
Architect Fees	\$ 43,536	\$ 43,536	\$ 45,936	\$ 85,343	\$ 268,264
Construction Manager Fees	\$ 23,309	\$ 23,309	\$ 24,547	\$ 47,113	\$ 167,842
DSA Plan/Field Review Fee	\$ 8,431	\$ 8,431	\$ 8,851	\$ 15,648	\$ 41,087
DSA Inspector*	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 32,000
<b>Subtotal Soft Costs</b>	<b>\$ 91,277</b>	<b>\$ 91,277</b>	<b>\$ 95,334</b>	<b>\$ 164,104</b>	<b>\$ 509,192</b>
10% Contingency	\$ 9,128	\$ 9,128	\$ 9,533	\$ 16,410	\$ 50,919
<b>Total Soft Costs</b>	<b>\$ 100,404</b>	<b>\$ 100,404</b>	<b>\$ 104,868</b>	<b>\$ 180,514</b>	<b>\$ 560,112</b>
<b>Total Budget</b>	<b>\$ 721,981</b>	<b>\$ 721,981</b>	<b>\$ 759,445</b>	<b>\$ 1,436,869</b>	<b>\$ 5,035,892</b>

RECOMMENDATION: Staff recommends the Board of Trustees approve the estimated budget as indicated above for the AS, PG, PR, RD, and JN Full Day Kindergarten Project.

FUNDING: The fiscal impact will be on Fund 25, Fund 21 (Measure G), and the Full Day Kindergarten State Facility Grant.



## BUSINESS SERVICES MEMORANDUM

TO: Board of Trustees  
Deborah Blow, Ed.D.

FROM: Bill Young  
Assistant Superintendent, Business Services

BOARD MEETING DATE: April 8, 2020

BOARD AGENDA ITEM: Change Order for the Purchase and Installation of Twelve (12) Modular Classrooms

BACKGROUND: On February 12, 2020, the Board of Trustees approved the piggyback bid for the purchase and installation of twelve modular classrooms from America Modular Systems (AMS). The preliminary budget estimate for twelve (12) DSA approved classrooms was \$4,408,164. This preliminary budget did not include the following options: door hardware, floor receptacles with data, base cabinets, upper cabinets with doors, teaching wall with markerboards and space for a future monitor and/or screen, skylights with dampers, and a 3-phase electrical panel. This change order is necessary as these items are imperative to construct fully functional classrooms.

Change Order	Amount
Alice Shaw Elementary School (1 Classroom)	\$57,330
Ralph Dunlap Elementary School (1 Classroom)	\$57,330
Patterson Road Elementary School (2 Classrooms)	\$114,660
Pine Grove Elementary School (1 Classroom)	\$57,330
Joe Nightingale (7 Classrooms)	\$401,310
Total	\$687,960

RECOMMENDATION: Staff recommends that the Board of Trustees ratify the Change Order for AMS, in the amount of \$687,960 with the final contract total of \$5,096,124.

FUNDING: Potentially one or more of the following funds: General Fund (01); Deferred Maintenance Fund (14); Building Fund (21); Capital Facilities Fund (25); and County Schools Facilities Fund (35).



## BUSINESS SERVICES MEMORANDUM

TO: Board of Trustees  
Deborah Blow, Ed.D.

FROM: Bill Young  
Assistant Superintendent, Business Services

BOARD MEETING DATE: April 8, 2020

BOARD AGENDA ITEM: Obsolete Portables

BACKGROUND: In accordance with Education Code Sections 39520- 39530 and BP 3260; staff has inspected the following portables and recommends that they be declared obsolete and unusable property:

Location	Room Number	Serial Number	Age of Portable
<b>Joe Nightingale</b>	Room 21	*226/227	27 years old
	Room 23	*17625/17626	24 years old
	Room 24	*17335/17336	24 years old
	Room 27	*26387/26388	31 years old
	Portable Restroom	28879	26 years old
<b>Patterson Rd.</b>	Room 17	*17337/17338	24 years old
	Room 18	*3291/3292	30 years old
<b>Orcutt Jr. High</b>	Room 26	*6434/6435	30 years old
	Room 27	*6219/6220	30 years old

\* denotes that each half of the portable has its own serial number

RECOMMENDATION: Staff recommends that the Board of Trustees declare these portables to be obsolete and authorize staff to dispose of the above mentioned portables.

FUNDING: The fiscal impact will be on Fund 25.



## BUSINESS SERVICES MEMORANDUM

**TO:** Board of Trustees  
Deborah Blow, Ed.D.

**FROM:** Bill Young  
Assistant Superintendent, Business Services

**BOARD MEETING DATE:** April 8, 2020

**BOARD AGENDA ITEM:** Approve rejecting all bids for Exterior Painting and General Repair Projects at Various Sites

**BACKGROUND:** On March 27, 2020, three bids were received for three different painting projects at Alice Shaw School, Lakeview Junior High, and Orcutt Junior High respectively. At this critical time, staff recommends not moving forward with these projects and rejecting all associated bids.

The three bidder were:

- Color New: Woodland Hills, CA
- VLA Construction: Woodland Hills, CA
- New Life: Santa Maria, CA

**RECOMMENDATION:** Staff recommends that Board of Trustees reject all bids for the Exterior Painting and General Repair of Alice Shaw Elementary School, Orcutt Junior High School, Lakeview Junior High School.

**FUNDING:** N/A.



#### **BOARD OF TRUSTEES**

SHAUN HENDERSON  
LISA MORININI  
LIZ PHILLIPS  
MARK STELLER  
MELANIE WAFFLE

DEBORAH BLOW, Ed.D.  
*District Superintendent*  
HOLLY EDDS, Ed.D.  
*Assistant Superintendent*  
SUSAN SALUCCI  
*Assistant Superintendent*  
WILLIAM YOUNG  
*Assistant Superintendent*  
KIRBY FELL  
*Chief Technology Officer*

## Where a Dedicated Staff Means **KIDS COME FIRST**

TO: Dr. Deborah Blow, Superintendent  
Board of Trustees

FROM: Susan Salucci, Asst. Supt. of Human Resources

BOARD MEETING DATE: April 8, 2020

BOARD AGENDA ITEM: Approval of Agreement with Orcutt Educators Association (OEA)

BACKGROUND: The District has reached agreement with OEA for 2019-20 negotiations

Highlights of the agreement are:

- a. Grammatical corrections throughout CBA
- b. 2020-2021 School Calendar
- c. Hourly Compensation for Attending IEPs
- d. New Article regarding Teachers on Special Assignment
- e. Article II, Term
- f. Article V, Transfer and Reassignment
- g. Article VI, Evaluation Procedure
- h. Article VII, Leaves
- i. Article VIII, Class Size
- j. Article IX, Working Days and Hours
- k. Article XII, Organizational Rights
- l. Article XIII, Professional Dues
- m. Article XXII, Completion of Meet and Negotiate
- n. Article XVIII, Peer Assistance and Review (PARTners)

In addition, The District and OEA have agreed to a 2.55% on schedule salary increase in accordance with the certificated salary schedule, retroactive to July 1, 2019.

RECOMMENDATION: It is recommended that the Board of Trustees approve the negotiated agreement with Orcutt Educators Association (OEA).

FINANCIAL IMPACT: The increased costs apply to the General Fund and the Charter Fund. Additional details related to the financial impact of the agreement can be found in the ***AB1200 Public Disclosure of Proposed Collective Bargaining Agreement*** in the Business section of tonight's agenda.



#### **BOARD OF TRUSTEES**

SHAUN HENDERSON  
LISA MORININI  
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MELANIE WAFFLE

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*District Superintendent*  
HOLLY EDDS, Ed.D.  
*Assistant Superintendent*  
SUSAN SALUCCI  
*Assistant Superintendent*  
WILLIAM YOUNG  
*Assistant Superintendent*  
KIRBY FELL  
*Chief Technology Officer*

## Where a Dedicated Staff Means **KIDS COME FIRST**

TO: Dr. Deborah Blow, Superintendent  
Board of Trustees

FROM: Susan Salucci, Asst. Supt. of Human Resources

BOARD MEETING DATE: April 8, 2020

BOARD AGENDA ITEM: Approval of Agreement with the California School Employees Association #255

BACKGROUND: The District has reached agreement with CSEA for 2019-20 negotiations

Highlights of the agreement are:

- A. Compensation
  - 1. Re-range of Cooks and Childcare workers, retroactive to July 1, 2019
  - 2. 2.55% increase on the salary schedule retroactive to July 1, 2019
- B. Retirement Incentive MOU

RECOMMENDATION: It is recommended that the Board of Trustees approve the negotiated agreement with California School Employees Association #255.

FINANCIAL IMPACT: The increased costs apply to the General Fund, Charter Fund, Child Development Fund (Preschool), and the Cafeteria Fund. Additional details related to the financial impact of the agreement can be found in the ***AB1200 Public Disclosure of Proposed Collective Bargaining Agreement*** in the Business section of tonight's agenda.





## Where a Dedicated Staff Means **KIDS COME FIRST**

### **BOARD OF TRUSTEES**

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*Assistant Superintendent*  
SUSAN SALUCCI  
*Assistant Superintendent*  
WILLIAM YOUNG  
*Assistant Superintendent*  
KIRBY FELL  
*Chief Technology Officer*

TO: Dr. Deborah Blow, Superintendent  
Board of Trustees

FROM: Susan Salucci, Asst. Supt. of Human Resources

BOARD MEETING DATE: April 8, 2020

BOARD AGENDA ITEM: Approval of Compensation increase Confidential Employees, Certificated Management and Classified Management.

BACKGROUND: The District has agreed to compensate confidential employees and management with the same on schedule compensation increase given to both bargaining units.

Highlights of the agreement are as follows:

1. The District agrees to compensate current OUSD Confidential Employees, Certificated Management and Classified Management in the 2019-2020 school year in accordance with the salary schedules with a 2.55% ongoing salary increase, retroactive to July 1, 2019.

RECOMMENDATION: It is recommended that the Board of Trustees ratify the agreement with Orcutt Union School District Confidential Employees and Management.

FINANCIAL IMPACT: The increased costs apply to the General Fund, Charter Fund, Child Development Fund (Preschool), and the Cafeteria Fund. Additional details related to the financial impact of the agreement can be found in the *ABI200 Public Disclosure of Proposed Collective Bargaining Agreement* in the Business section of tonight's agenda.



# **BOARD OF TRUSTEES**

SHAUN HENDERSON  
LISA MORININI  
LIZ PHILLIPS  
MARK STELLER  
MELANIE WAFFLE

DEBORAH BLOW, Ed.D.  
*District Superintendent*  
HOLLY EDDS, Ed.D.  
*Assistant Superintendent*  
SUSAN SALUCCI  
*Assistant Superintendent*  
WILLIAM YOUNG  
*Assistant Superintendent*  
KIRBY FELL  
*Chief Technology Officer*

## Where a Dedicated Staff Means **KIDS COME FIRST**

TO: Dr. Deborah Blow, Superintendent  
Board of Trustees

FROM: Susan Salucci, Asst. Supt. of Human Resources

BOARD MEETING DATE: April 8, 2020

BOARD AGENDA ITEM: Approval of Compensation Increase for Contracted Positions

BACKGROUND: The District holds individual 223 day employment agreements (“contracts”) with the Assistant Superintendent of Business, Assistant Superintendent of Educational Services, Assistant Superintendent of Human Resources, and Chief Technology Officer. These agreements state they shall receive increases at least equal to the on-schedule and off-schedule salary adjustment(s) received by other management personnel.

The salary increase shall be a 2.55% on schedule salary increase effective July 1, 2019

With a 2.55% increase, the 2019/2020 salaries will be:

Bill Young, Assistant Superintendent, Business	\$162,619
Holly Edds, Assistant Superintendent, Educational Services	\$152,985
Susan Salucci, Assistant Superintendent, Human Resources	\$149,546
Kirby Fell, Chief Technology Officer	\$141,852

RECOMMENDATION: It is recommended that the Board of Trustees grant a 2.55% salary increase effective July 1, 2019, to the Assistant Superintendent of Business, Assistant Superintendent of Educational Services, Assistant Superintendent of Human Resources, and Chief Technology Officer.

FINANCIAL IMPACT: The increased costs apply to the General Fund, Additional details related to the financial impact of the agreement can be found in the *AB1200 Public Disclosure of Proposed Collective Bargaining Agreement* in the Business section of tonight’s agenda.

**BOARD OF TRUSTEES**

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*Assistant Superintendent*  
KIRBY FELL  
*Chief Technology Officer*

Where a Dedicated Staff Means  
**KIDS COME FIRST**

TO: Board of Trustees

FROM: Susan Salucci, Assistant Superintendent of Human Resources

BOARD MEETING DATE: April 8, 2020

BOARD AGENDA ITEM: Approval of Addendum to Employment Agreement between the Orcutt Union School District and Dr. Deborah Blow

BACKGROUND: The District has reached an agreement to a contract addendum with Dr. Deborah Blow for the 2019-2020 school year. The addendum is attached. Additional details are available in the April AB 1200 Public Disclosure in the Business Services agenda items.

The AB 1200 Public Disclosure was previously presented for public hearing and approved by the Board of Trustees.

The Addendum provides a one-time or “off schedule 2.55% salary increase to be paid after approval by the Board of Trustees.

RECOMMENDATION: Staff recommends the Board of Trustees ratify the Addendum to Dr. Deborah Blow’s employment agreement.

FUNDING: Increased cost to the district is, including related statutory costs:

One-Time	Ongoing	Total
\$5,463.12	\$0.00	\$5,463.12

The increased cost impacts the General Fund

**Orcutt Union School District  
Employment Contract for District Superintendent  
Addendum No. 3**

The Orcutt Union School District Board of Trustees and the District Superintendent Dr. Deborah Blow have agreed upon the following Addendum to Dr. Blow's employment agreement dated July 1, 2015.

1. For contract year 2019-2020 the Superintendent shall receive a one-time, "off schedule" payment in the amount of \$5,465.12

GOVERNING BOARD OF THE ORCUTT UNION SCHOOL DISTRICT:

By: \_\_\_\_\_  
Liz Phillips, President

By: \_\_\_\_\_  
Mrs. Melanie Waffle, Clerk

By: \_\_\_\_\_  
Mr. Mark Steller

By: \_\_\_\_\_  
Mr. Shaun Henderson

By: \_\_\_\_\_  
Mrs. Lisa Morinini

\_\_\_\_\_  
Date of Acceptance

\_\_\_\_\_  
Deborah Blow, Ed.D., Superintendent



**BOARD OF TRUSTEES**

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*Assistant Superintendent*  
WILLIAM YONG  
*Assistant Superintendent*  
KIRBY FELL  
*Chief Technology Officer*

Where a Dedicated Staff Means  
**KIDS COME FIRST**

TO: Board of Trustees

FROM: Susan Salucci, Assistant Superintendent/Human Resources

BOARD MEETING DATE: April 8, 2020

BOARD AGENDA ITEM: Classified Lay-offs as a Result of Lack of Work and/or Lack of Funds  
Resolution 2019/2020 No. 15

BACKGROUND: The 2020-2021 school year will result in a reduction in personnel for lack of work and/or funding. The following positions shall be reduced or laid off:

(3) part-time PE Instructional Assistants  
(4) part-time Bus Attendants

Employees who are laid off will have, as per Education Code, 39-month rehire rights.

RECOMMENDATION: It is recommended that the Board of Trustees approve Resolution 2019/2020 No. 15, a reduction in classified positions for lack of work and/or lack of funds effective June 8, 2019.

**ORCUTT UNION SCHOOL DISTRICT  
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA  
RESOLUTION FOR CLASSIFIED LAY-OFF**

**2019/2020 RESOLUTION NO. 15**

WHEREAS, it is necessary to eliminate or reduce certain positions and services being provided to the Orcutt Union School District in order to maintain a balanced budget and sufficient reserves to secure the fiscal integrity of the District; and,

WHEREAS, the reduction or elimination of services will result in the layoff of classified personnel;

NOW, THEREFORE, BE IT RESOLVED that the District eliminate or reduce services due to the lack of funding and/or lack of work as set forth in Exhibit A attached hereto and incorporated herein by this reference.

BE IT FURTHER RESOLVED that the Superintendent or designee notify the appropriate employees that the employees' services will no longer be needed because of this elimination or reduction of services, and they are, therefore, terminated at the end of the school year or sixty days after such notice whichever is later;

BE IT ALSO RESOLVED that the Notice of Layoff be given in accordance with the appropriate provisions of the California Education Code and any agreement between the District and classified employees union.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

DATED: April 8, 2020

BOARD OF TRUSTEES  
ORCUTT UNION SCHOOL DISTRICT

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Liz Phillips, Board President



ORCUTT UNION SCHOOL DISTRICT  
EXHIBIT A TO 2019/2020 RESOLUTION NO. 15

<u>SERVICES OR PROGRAMS TO BE ELIMINATED OR REDUCED</u>	POSITIONS FTE
Eliminate (3) part-time Instructional Assistants/PE	.21650 .15000 .15000
Eliminate (4) part-time Bus Attendants	.84000 .73325 .57250 .45875
Total FTE	3.12100

# Orcutt Union School District

## 2019/2020 Resolution No. 17 Classified School Employees Week

**Whereas**, the education of youth is essential to the future of our community, state, country and world; and

**Whereas**, classified employees work directly with students, educators, parents, volunteers, business partners and community members; and

**Whereas**, classified employees support the smooth operation of offices, the safety and maintenance of buildings and property, and the safe transportation, healthy nutrition and direct instruction of students; and

**Whereas**, our community depends upon and trusts classified employees to serve students; and

**Whereas**, classified employees, with their diverse talents and true dedication, nurture students throughout their school years

**Now Therefore, Be It Resolved**, that the Orcutt Union School District Board of Trustees and Administrators proclaims May 17-23, 2020 to be Classified School Employees Appreciation Week.

**Be it Further Resolved** that the Orcutt Union School District Board of Trustees strongly urges employees, parents and community members to join in this observance, recognizing the dedication and hard work of our classified employees.

Adopted this 8<sup>th</sup> day of April, 2020.

Ayes:

\_\_\_\_\_  
President

Noes:

Absent:

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Member

\_\_\_\_\_  
Member

\_\_\_\_\_  
Member

# Orcutt Union School District

2019/2020 Resolution No. 16

Day of the Teacher

May 5, 2020

**Whereas**, quality education represents society's greatest and most lasting gift to new generations; and

**Whereas**, the future of our district depends largely on the work of dedicated and professional teachers; and

**Whereas**, teachers have the important task of helping today's students become tomorrow's leaders; and

**Whereas**, along with academics and instruction, teachers provide students with valuable guidance, support and encouragement; and

**Whereas**, it is appropriate that all Orcutt District Staff recognize and appreciate the many contributions teachers make to the Orcutt Union School District.

**Now Therefore, Be It Resolved**, we, the Board of Trustees and Administrators of the Orcutt Union school District, proclaim May 5, 2020, as "Day of the Teacher" in Orcutt, California and urge all Orcutt citizens to participate in an observance that expresses their appreciation of our dedicated teaching staff.

**Passed and Adopted** by the Board of Trustees of the Orcutt Union School District, County of Santa Barbara, State of California, at a regular meeting, the 8<sup>th</sup> day of April, 2020.

Ayes:

\_\_\_\_\_  
President

Noes:

Absent:

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Member

\_\_\_\_\_  
Member

\_\_\_\_\_  
Member