

RESOLUTION NO. 17/18-36

RESOLUTION OF THE BOARD OF EDUCATION OF WILLIAM S. HART UNION HIGH SCHOOL DISTRICT APPROVING AGREEMENT FOR ENERGY CONSERVATION FACILITY FINANCING CONTRACT PURSUANT TO GOVERNMENT CODE SECTIONS 4217.10-4217.18, MAKING CERTAIN FINDINGS REQUIRED THEREFORE AND TAKING RELATED ACTIONS

WHEREAS, the William S. Hart Union High School District (“District”) finds it to be in the best interests of the District to implement projects to promote energy efficiency and renewable energy production to achieve energy cost reductions;

WHEREAS, Government Code sections 4217.10 through 4217.18 authorize the District’s Governing Board (“Governing Board”), without advertising for bids, to enter into one or more energy service contracts with any person or entity, pursuant to which that person or entity will provide electrical or thermal energy or conservation services to the District, which may comprise or include an energy conservation facility, if the anticipated cost to the District for thermal or electrical energy or conservation services provided under the contract(s) is less than the anticipated marginal cost to the District of thermal, electrical, or other energy that would have been consumed by the District in the absence of those energy service contracts (“Savings”);

WHEREAS, Government Code sections 4217.10 through 4217.18 authorize the Governing Board, without advertising for bids, to enter into one or more facility financing contracts if funds for the repayment thereof are projected to be available from the Savings, representing funds that otherwise would have been used for purchase of electrical, thermal, or other energy required by the District in the absence of the energy conservation services and facilities financed by proceeds available through the facility financing contracts;

WHEREAS, Government Code sections 4217.10 through 4217.18 require that a public hearing be held, and public comment be taken, at a regularly scheduled meeting of the Governing Board, at which meeting the Governing Board may consider and adopt the findings described herein and award facility financing contracts based thereon, and that notice of such public hearing be must given at least two weeks prior to such public hearing;

WHEREAS, the District has provided notice of its intent to conduct such a public hearing and take public comment upon the subject matter of this Resolution at least two weeks prior the regularly scheduled public meeting of the Governing Board at which the Governing Board has held a public hearing and taken public comment and the Governing Board has now considered this Resolution, all as required under Government Code sections 4217.10 through 4217.18;

WHEREAS, the Governing Board previously adopted Resolution No. 17/18-33, finding that the anticipated cost of an energy conservation facilities contract offered by Alliance Building Solutions, Inc. (“ECFA”) to the District for thermal or electrical energy or conservation services provided thereunder was less than the anticipated marginal cost to the District of thermal, electrical, or other energy that would have been consumed by the District in the absence of the

ECFA and that it was in the best interest of the District to approve and enter into the ECFA, which the Board approved and ratified;

WHEREAS, the District has been presented with an Equipment Lease-Purchase Agreement (“Financing Agreement,” the form of which has been provided to this Governing Board) between the District, as Lessee, and Holman Capital Corporation, as Lessor, to secure financing of the ECFA under terms beneficial to the District;

WHEREAS, District staff reviewed the qualifications presented by Alliance Building Solutions, Inc., to conduct and provide assessment of District energy usage, energy needs and opportunities to reduce energy expenses, found Alliance Building Solutions, Inc.’ qualifications to appear bona fide and adequate;

WHEREAS, Alliance Building Solutions, Inc. assessed the feasibility of various potential energy conservation measures to reduce the District’s energy consumption and expense and recommended specific energy conservation measures based thereon (“Analysis,” the summary form of which has been provided to this Governing Board), upon which the Governing Board and District administration and staff have relied;

WHEREAS, the Analysis demonstrates that the cost of the ECFA to the District for the thermal or electrical energy or conservation services provided thereunder is less than the anticipated marginal cost to the District of thermal, electrical, or other energy that would have been consumed by the District in the absence of the ECFA (“Savings”);

WHEREAS, the Analysis indicates that funds for the repayment of the Financing Agreement are projected to be available from the Savings, which are in excess of the cost of the ECFA and represent funds that otherwise would have been used for purchase of electrical, thermal, or other energy required by the District in the absence of the energy conservation services and facilities provided under the ECFA and financed by proceeds available through the Financing Agreement;

WHEREAS, based upon documentation presented to the Governing Board, the Governing Board is prepared to make certain findings and determinations concerning approval of the Financing Agreement and various related matters; and

WHEREAS, based on the foregoing, the District Board has determined that it is appropriate to adopt this Resolution, including making certain findings and directing certain related actions, providing for the approval of the Financing Agreement and related actions.

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT DOES HEREBY FIND, RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. Recitals. All of the recitals herein contained are true and correct and are incorporated herein by this reference.

Section 2. Financing Agreement Findings. The District's Governing Board finds that funds for the repayment of the Financing Agreement are projected to be available from the Savings, which are in excess of the cost of the ECFA, and represent funds that otherwise would have been used for purchase of electrical, thermal, or other energy required by the District in the absence of the energy conservation services and facilities provided under the ECFA and financed by proceeds available through the Financing Agreement.

Section 3. Financing Agreement Approval, Execution and Delivery. The form of the Financing Agreement by and between the District and Lessor, presented to the Governing Board and on file with the District, is hereby approved, subject to final approval by the Superintendent and District Legal Counsel. The Superintendent or Superintendent's designee ("Designated Officers") is hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver to Lessor the Financing Agreement and such other financing and related documents as necessary to complete the transaction contemplated by the Financing Agreement with such changes therein as such officer or person may require and approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Tax-Exemption Matters.

(a) The Governing Board, on behalf of the District, in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the payments under the Financing Agreement, hereby authorizes the Financing Agreement to include covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended.

(b) The Governing Board hereby authorizes District Counsel and District staff to complete, execute and include in the documents delivered in connection with the Financing Agreement, such statements and directives as may be necessary and convenient in order to meet federal tax goals or requirements in connection with maintaining the tax-exempt status of the payments under the Financing Agreement. In addition to the foregoing, District staff is authorized to provide a post-issuance compliance policy and procedures (in the form provided by District Counsel and consistent with the District's Debt Management Policy) to provide for ongoing monitoring and compliance actions in connection with the terms of the Financing Agreement.

Section 5 Compliance with District Debt Management Policy. The Governing Board hereby determines that the adoption of this Resolution is in general compliance with the provisions and requirements of the District's adopted Debt Management Policy (as set forth in the District's policies and guidelines). To the extent this Resolution is not in strict compliance therewith, this District Board waives such requirements for the reasons, and upon the determinations, set forth herein. The Governing Board hereby directs that all periodic filings and reports required under the School District's Debt Management Policy, which are applicable to the Financing Agreement, shall be completed and made in a timely manner.

Section 6 Other Actions. The President and Clerk of the Governing Board, and the Designated Officers of the District, are authorized and directed to execute all documents and to take all actions necessary to carry out the directives of this Resolution.

Section 7. Effective Date. This Resolution shall take effect upon adoption.

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ADOPTED, SIGNED AND APPROVED this 2nd day of May, 2018.

**GOVERNING BOARD OF THE WILLIAM S.
HART UNION HIGH SCHOOL DISTRICT**

By: _____
Mr. Steve Sturgeon
President, Governing Board of the William
S. Hart Union High School District

ATTEST:

Mr. Bob Jensen
Clerk, Governing Board of the William S. Hart
Union High School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Bob Jensen, Clerk, Governing Board of the William S. Hart Union High School District, do hereby certify that the foregoing was duly adopted by the Governing Board of such District at a regular meeting of said Board held on the 2nd day of May, 2018, at which a quorum of such Board was present and acting throughout and for which notice and an agenda was prepared and posted as required by law and at which meeting all of the members of such Board had due notice and that at such meeting the attached resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Mr. Bob Jensen
Clerk, Governing Board of the William S. Hart
Union High School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Bob Jensen, Clerk of the Governing Board of the William S. Hart Union High School District, do hereby certify that the foregoing is a true and correct copy of Resolution No. 17/18-30, which was duly adopted by the Governing Board of the William S. Hart Union High School District at a meeting thereof on the 2nd day of May, 2018.

Mr. Bob Jensen
Clerk, Governing Board of the William S. Hart
Union High School District