

Agenda

SUTTER COUNTY BOARD OF EDUCATION
Wednesday, November 8, 2023
Regular Meeting – 5:30 p.m.
Sutter County Superintendent of Schools Office
970 Klamath Lane – Board Room
Yuba City, CA 95993

A full Board packet is available for review at the Sutter County Superintendent of Schools Office Reception Desk, 970 Klamath Lane, Yuba City, CA (8:00 a.m. – 5:00 p.m., Monday through Friday – excluding legal holidays) and the Sutter County Superintendent of Schools' website at www.sutter.k12.ca.us.

Members of the public wishing to address the Board on specific agenda items, or any item of interest that is within the subject matter jurisdiction of the Board, will be given an opportunity to do so. At the discretion of the Board president, time limits may be imposed upon such presentations. No action may be taken on items not appearing on the posted agenda.

- 5:30 p.m.
- 1.0 Call to Order
 - 2.0 Pledge of Allegiance
 - 3.0 Roll Call of Members:
 - June McJunkin, President
 - Victoria Lachance, Vice President
 - Kash Gill, Member
 - Harjit Singh, Member
 - Gurv Pamma, Member
 - 4.0 Items of Public Interest to Come to the Attention of the Board

Members of the public are given an opportunity to address the Board regarding items not listed on the agenda. *The California Government Code, Section 54954.2 (a)(2) states, "No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3."*

5.0 Approve Minutes of the October 11, 2023, Regular Meeting
[Action Item]

The minutes of the October 11, 2023, Regular Meeting of the Sutter County Board of Education are presented for approval.

6.0 Set Date, Time and Place for Annual Organizational Meeting
Tom Reusser **[Action Item]**

It is required the Board establish a date for their Annual Organizational Meeting at the November Board Meeting. Per Ed Code §1009, the date this meeting must take place shall be on or after the second Friday in December. The date of the regular December meeting is scheduled for December 13, which falls within this time period.

7.0 Student Support and Outreach Department Presentation
Virginia Burns- Director

8.0 Quarterly Report on Williams/ Uniform Complaints
(July 1, 2022 – September 30, 2022) – Brian Gault

Education Code 35186 requires the county superintendent to report on the number and nature of complaints filed for:

- 1) Textbooks and instructional materials
- 2) Teacher vacancies or mid-assignments
- 3) Facilities and conditions

9.0 Annual Report on Williams Compliance Visitations
Brian Gault

California Education Code Section 1240 requires the county superintendent visit schools identified in our county and report to you the results of the visit. This report primarily concerns the visit to Gray Avenue, Park Avenue, Yuba City High School, East Nicolaus High School and CAVA at Sutter.

10.0 Business Services Report
Nic Hoogeveen, Director Business Services

- 10.1 October Summary Report
- 10.2 Quarterly Facilities Update – James Peters Facilities Director
- 10.3 Site Profile Work Sheet

- 11.0 Revisions to Board Policies – Second Reading
Ron Sherrod, Assistant Superintendent [**Action Item**]

The following Board Policies and Administrative Regulations are presented to the Board for a second reading and Board approval.

- 11.1 3400 AR Management of County office Assets/Accounts
- 11.2 3400 BP Management of County Office Assets/Accounts
- 11.3 3400 AR Inventories
- 11.4 3451 AR Petty Cash Funds
- 11.5 34512 AR Student Activity Funds

- 12.0 COP Financing Results Presentation
Ron Sherrod-Assistant Superintendent of Business
Lori Raineri and Keith Weaver Government Financial Services JPA

To provide a presentation summarizing the results of the COP financing.

- 12.1 Board Presentation Financing Results for New Career Training and Conference Center

- 13.0 Investment Report
Ron Sherrod- Assistant Superintendent

The Investment Statement as of August 31, 2023 from the County Treasurer will be presented.

- 14.0 Donation to Shady Creek

- 14.1 Mari Reeves Donated 40.00

- 15.0 Approval of Lease for Storage Space with Arch Investments, LLC
Ron Sherrod, Assistant Superintendent of Business [**Action Item**]

- 15.1 Commercial Lease Agreement

- 15.2 Addendum

- 16.00 Approval of Lease Extension with Cascarat Living Trust
Ron Sherrod, Assistant Superintendent of Business [Action Item]

Approval of Lease Extension with Coscarat Living Trust
950 Tharp Road, #1100 Yuba City, Ca. 95993
The extension increases the duration through December 31, 2025, which
Converts to a month-to-month lease thereafter.

16.1 Lease Extension

- 17.0 Approval of Lease Extension with Myriad Capital LLC
Ron Sherrod, Assistant Superintendent of Business [Action Item]

Approval of Lease Extension with Myriad Capital LLC that currently accommodates
training and office space for Sutter County One Stop located at:
950 Tharp Road, #1000 Yuba City, CA 95993
The extension increases the duration through December 31, 2025, which converts to
a month-to-month lease thereafter.

17.1 Lease Extension

- 18.0 Items from the Superintendent/Board

- 19.0 Adjournment

In compliance with the Americans with Disabilities Act, for those requiring special assistance to access the Board Meeting room, to access written documents being discussed at the Board Meeting, or to otherwise participate at Board Meetings, please contact the Superintendent's Office at 530-822-2900 for assistance. Notification at least 48 hours prior to the meeting will enable the Superintendent's Office to make reasonable arrangements to ensure accessibility to the Board Meeting and to provide any required accommodations, auxiliary aids or services.

All Open Session Agenda related documents, including materials distributed less than 72 hours prior to the scheduled meeting, are available to the public for viewing at the Sutter County Superintendent of Schools Office located at 970 Klamath Lane, Yuba City, CA 95993.

6.0 Human Resources Department Presentation
Kathy Mercier, Director of Human Resources
Updated the Board and gave an overview of the responsibilities and functions of the Human Resources Department.

7.0 SP/BP and AR 6161.1 Selection and Evaluation of Instructional Materials- Second Reading
Brian Gault, Assistant Superintendent /Elizabeth Bhatti, Compliance Manager
A motion was made to approve SP/BP and AR 6161.1 Selection and Evaluation of Instructional Materials and 7.2 AR 6161.1 Selection and Evaluation of Instructional Materials.

Motion: Harjit Singh Seconded: Pamma
Action: Motion Carried
Ayes: 5
Noes: 0
Absent: 0 Abstain: 0

8.0 Supervisor of Attendance Approval
. Virginia Burns, Director SSO

Recommend that Virginia Burns be appointed Supervisor of Attendance for Sutter County Superintendent of Schools pending successful completion of Supervisor of Attendance Training on September 28, 2023.
Recommend that Jennifer Cates be certified as District Supervisors of Attendance for Yuba City Unified School District pending successful completion of Supervisor of Attendance Training on October 4, 2023.
Recommend that Glenn Houston be certified as District Supervisors of Attendance for Live Oak Unified School District pending successful completion of Supervisor of Attendance Training on October 4, 2023.

A motion was made to approve Supervisor of Attendance Approval
Motion: Gill Seconded: Pamma
Action: Motion Carried
Ayes: 5
Noes: 0
Absent:0 Abstain: 0

9.0 COP Financing Update- Update on the COP financing and expected next steps
Ron Sherrod, Assistant Superintendent updated the Board on COP financing.

SCSOS went through competitive bid process, 4 bids came through for COP. Winning bid was 4.975 interest rate. Roughly annual payment one million twenty thousand dollars. We expect final closing next week on October 19, 2023. We are not buying down the rate; we will start payments before the building is complete to get a head start.

Facility update: Ron Sherrod updated the Board on the lease extension coming up for the 1100 building; renewals will take place until we move in to new building. We will continue to rent warehouse storage as we move things around, Ron will have the rental agreements next month for approval. We are consolidating our cosmetology program over to 1100 building in December 2023.

- 10.0 Business Services Report- September financial report will be reviewed. Nicolass Hoogeveen, Director Business Services updated the board on the 22-23 budget changes occurring from 8/16-9/15. Federal revenue increased by \$139 k, largely in part to establishing a budget for WIPA Prison to Employment Award and Regional Equity and recovery grant at One Stop. Classified salaries decreased. Books and supplies increased by \$265k, Services increased in SPED due to contractor filling positions. Overall, a net decrease in fund balance or roughly \$230k this is largely in part to budgeting restricted fund balance.
- 11.0 Internal Business Department Presentation
Nicolass Hoogeveen, Director Business Services updated the Board on the Unaudited Actuals Report 2022/2023.
- 12.0 GANN Limit Resolution No 23-24-IV is presented for Board approval to certify that the appropriations in the adopted budget do not exceed the limitations imposed by Article XIII B of the California Constitution
Nic Hoogeveen presented Resolution No. 23-24 IV to the Board for approval to certify the appropriations in the adopted budget do not exceed the limitations imposed by Article XIII B of the California Constitution commonly known as the GANN Amendment.

A motion was made to adopt Resolution Number 23-24 IV GANN Limit.

Roll call vote: Singh, aye; Lachance, aye; Pamma, aye; Gill, aye; McJunkin, aye.

Motion: Gill
Action: Motion Carried
Ayes: 5
Noes: 0
Absent: 0

Seconded: LaChance
Abstain: 0

13.0 AeroSTEM Initial Annual Report SCSOS staff conducted a review of AeroSTEM Academy for the 2022-2023 school year. Joe Hendrix, Deputy Superintendent of SCSOS and Joseph Clark, Director of AeroSTEM, updated the Board on the Annual Review results. There was improvement that needed to happen and it is taking place. There was 56 pts that needed to be addressed and all but two have been completed and /or are ongoing. Credentialed teachers now teach classes. AeroSTEM wants progress not progression and that is now happening. AeroSTEM has five new Administrators and or Teachers. June states the board has grown since SCSOS stepped in and assisted. Board member June McJunkin praised Debbie Obrien School Clerical Support.

14.0 Superintendent Update

- County of Sutter Proclamation Anti Bullying
- Golden Bell Award- Daniella Pomeroy Dental Program- Tri County ROP

15.0 Adjournment

A motion was made to adjourn the meeting at 6:35pm

Motion: Gill
Action: Motion Carried
Ayes: 5
Noes: 0
Absent: 0

Seconded: Singh
Abstain: 0

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Agenda Item No. 7

BOARD AGENDA ITEM: Student Support and Outreach

BOARD MEETING DATE: November 2023

AGENDA ITEM SUBMITTED FOR:

Action

Reports/Presentation

Information

Public Hearing

Other (specify)

PREPARED BY:

Virginia Burns

SUBMITTED BY:

Virginia Burns

PRESENTING TO BOARD:

Virginia Burns

BACKGROUND AND SUMMARY INFORMATION:

BOARD AGENDA ITEM: Quarterly Report on Williams/ Uniform Complaints

BOARD MEETING DATE: November 8, 2023

AGENDA ITEM SUBMITTED FOR:

Action

Reports/Presentation

Information

Public Hearing

Other (specify)

PREPARED BY:

Tania Martinez

SUBMITTED BY:

Tania Martinez

PRESENTING TO BOARD:

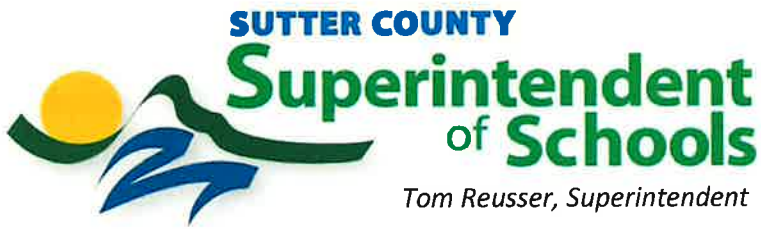
Brian Gault

BACKGROUND AND SUMMARY INFORMATION:

As per California Education Code Section 35186 the county superintendent reports on the number and nature of complaints filed for:

- 1) Textbooks and instructional materials
- 2) Teacher vacancies or mis-assignments
- 3) Facilities and conditions


None of the districts had any complaints filed during the period of July 2023 to September 2023.



970 Klamath Lane
 Yuba City, CA 95993
 PHONE: (530) 822-2933
 FAX: (530) 822-3085

QUARTERLY REPORT ON WILLIAMS/VALENZUELA UNIFORM COMPLAINTS

(Education Code § 35186)

District: Sutter County Superintendent of Schools
 Person completing this form: Brian Gault 
 Title: Assistant Superintendent, Educational Services

The Quarterly Report will be submitted at the Sutter County Superintendent of School's Board Meeting on November 8, 2023 for the reporting months of July, August, and September 2023.

Please indicate the date this information will be reported publicly at your District's governing board meeting: November 8, 2023

Please check the box that applies:

- No complaints were filed with any school in the district during the quarter indicated above.
- Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

General Subject Area	Total Number of Complaints	Number Resolved	Number Unresolved
Textbooks & Instructional Materials			
Teacher Vacancies or Misassignments			
Facilities/Conditions			
TOTALS			

Tom Reusser

PRINT NAME OF DISTRICT SUPERINTENDENT



SIGNATURE OF DISTRICT SUPERINTENDENT

BOARD AGENDA ITEM: Williams Compliance Visitations

BOARD MEETING DATE: November 8, 2023

AGENDA ITEM SUBMITTED FOR:

PREPARED BY:

Action

Kristi Johnson

Reports/Presentation

SUBMITTED BY:

Information

Kristi Johnson

Public Hearing

PRESENTING TO BOARD:

Other (specify)

Brian Gault

BACKGROUND AND SUMMARY INFORMATION:

California Education Code Section 1240 Williams Legislation requires the county superintendent visit schools identified in our county and report to you the results of the visit. This report primarily concerns the visit to Gray Avenue, Park Avenue, Yuba City High School (YCUSD) and East Nicolaus High School (ENJUHSD).

Assembly Bill (AB) 599 (Chapter 668, Statutes of 2021) revised Section 1240 and requires the State Superintendent of Public Instruction (SPI) to identify the list of Williams-monitored schools (including charter schools) beginning with the 2021-22 fiscal year, again in 2022-23 fiscal year, and then every three fiscal years thereafter, during the same fiscal year that schools are identified for comprehensive support and improvement or additional targeted support and improvement pursuant to Every Student Succeeds Act (Public Law 114-95) or identified as low performing under the federal Elementary and Secondary Education Act of 1965 (Public Law 89-10). The list of schools will be compiled as follows:

- All schools (excluding Dashboard Alternative School Status (DASS) schools) identified for comprehensive support and improvement and additional targeted support and improvement pursuant to the federal Every Student Succeeds Act (Public Law 114-95).
- All schools where 15 percent or more of the teachers are holders of any authorization that is a lesser certification than a preliminary or clear California teacher credential.
- The list of schools excludes alternative schools defined in Section 52052(d) and other schools accepted for participation in the DASS program.

Sutter County Superintendent of Schools
WILLIAMS SETTLEMENT LEGISLATION
ANNUAL REPORT FOR EAST NICOLAUS JOINT UNION HIGH SCHOOL DISTRICT 2023-24 FISCAL YEAR

This report summarizes the results of the Williams Site Visits and documentation for the 2023-24 school year.

INSTRUCTIONAL MATERIALS:

Schools were reviewed for sufficient textbooks and instructional materials** as noted below:

School	Review Date	# of Classrooms Visited	Subject/ Course	Textbook/Instructional Materials Needed	Grade	Period	Room #	# of Material Missing	Corrected on
East Nicolaus High School	8/28/2023	8	ELA/ELD/Math/HSS/ Science	NONE				NONE	N/A

* Unannounced school(s)

**“Sufficient textbooks and instructional materials” means each pupil, including English learners, has a standards-aligned textbook or instructional materials, or both, to use in class and to take home in the four core areas (including science laboratory equipment in grades 9-12) as well as, for middle and high school, in world language and health.

SCHOOL FACILITIES:

Schools were reviewed for condition of facilities, whether they were in “good repair”* or pose an “emergency”** as noted below:

School	Review Date	Room/ Area	Facility Deficiencies Identified	Emergency	Correction/ Action Taken	Corrected On
East Nicolaus High School	9/1/2023	N/A	NONE		N/A	

*“Good repair” means the facilities are clean, safe and functional as determined pursuant to the school facility inspection and evaluation instrument developed by the Office of Public School Construction or a local evaluation instrument that meets the same criteria.

** “Emergency condition” means a facility condition that poses a threat to the health or safety of pupils or staff while at school.

Sutter County Superintendent of Schools
WILLIAMS SETTLEMENT LEGISLATION
ANNUAL REPORT FOR EAST NICOLAUS JOINT UNION HIGH SCHOOL DISTRICT 2023-24 FISCAL YEAR

SCHOOL ACCOUNTABILITY REPORT CARD (SARC):

The 2022-23 School Accountability Report Cards (SARC) for the following schools were reviewed to determine the accuracy of the information reported for sufficiency of textbooks and instructional materials and safety, cleanliness, and adequacy of school facilities, including “good repair”:

School	SARC Review Date	Instructional Materials Discrepancies	Facility Conditions Discrepancies
East Nicolaus High School	9/8/2023	NONE	NONE

TEACHER MISASSIGNMENTS AND TEACHER VACANCIES:

The results of teacher misassignments* and teacher vacancy** reviews for the following schools were:

(Note: The annual report will include the teacher misassignments and vacancies reported through CalSAAS annually. The quarterly reports will include the misassignments and vacancies identified upon completion of an annual review.

Schools	East Nicolaus High School
Number of overall misassignments for the 2022-23 (Based on Census Date) ¹	10
Number of misassignments that were corrected within 30 calendar days (Based on Census Date)	0

¹ Overall misassignments includes both corrected and uncorrected misassignments (including vacancies) determined during the CalSAAS review based on Census date.

Sutter County Superintendent of Schools
WILLIAMS SETTLEMENT LEGISLATION
ANNUAL REPORT FOR EAST NICOLAUS JOINT UNION HIGH SCHOOL DISTRICT 2023-24 FISCAL YEAR

Number of classes in which the teacher was lacking the appropriate authorization and training to teach English Learners and 20% or more of students were English learners (Based on Census Date) ²	2
Number of Teacher Vacancies for the 2022-23 (Based on SARC Data) ³	0
Number of Teacher Vacancies Filled in the 2022-23 (Based on SARC Data)	0

*“Misassignment” means the placement of a certificated employee in a teaching or services position for which the employee does not hold a legally recognized certificate or credential or the placement of a certificated employee in a teaching or services position that the employee is not otherwise authorized by statute to hold. [E.C. 35186(h)(2)]. More than one misassignment may be identified within a certificated assignment (e.g., a special education teacher lacking authorization for potentially more than one disability). English learners (EL) misassignments are one per teacher of record and included in the total of misassignments.

**“Teacher vacancy” means a position to which a single designated certificated employee has not been assigned at the beginning of the year for an entire year or, if the position is for a one-semester course, a position to which a single designated certificated employee has not been assigned at the beginning of a semester for an entire semester. [E.C. Section 35186(h)(3) and C.C.R. Title 5 Section 4600(b)]

² Due to the revised monitoring process through CalSAAS, clarification is needed from CDE regarding whether the manual data collection of the number of English learner related misassignments involving classes in which 20% or more of the students are English learners is still required for the purposes of Williams reporting to CTC. The CalSAAS program does not currently collect or report this data. (Former CCSESA Guidance: [Outline of Process for Teacher Assignment Monitoring](#) and [Teacher Assignment Monitoring and Review Sample Templates](#))

³ Due to revisions within E.C. 44258.9 and the implementation of the CalSAAS program in 2019/20, assignment monitoring exceptions are reviewed within the CalSAAS program based on certificated assignments as of Census Date (first Wednesday in October). This data is reported by LEAs to CDE through CALPADS. Vacancies reported on the SARC follow C.C. R. Title 5 section 4600(b) and are based on vacancies that are not filled within the first 20 business days of the semester-long course. Assignments determined as vacancies during the annual assignment monitoring process utilizing the CalSAAS program are based on vacant positions on Census Date. Clarification is needed from CDE regarding which vacancy data (Census or SARC data) should be used for Williams reporting purposes. Pending clarification, there has been continued use of the SARC vacancy data.

Sutter County Superintendent of Schools
WILLIAMS SETTLEMENT LEGISLATION
ANNUAL REPORT FOR EAST NICOLAUS JOINT UNION HIGH SCHOOL DISTRICT 2023-24 FISCAL YEAR

UNIFORM COMPLAINTS (OPTIONAL)⁴:

The number of complaints filed within the district during the <quarter> <year>, their nature, and resolution are noted below:

General Subject Area	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials	0	N/A	N/A
Teacher Misassignments or Vacancies	0	N/A	N/A
Facilities Conditions	0	N/A	N/A
TOTALS	0	N/A	N/A

⁴ Not applicable for charter schools

Sutter County Superintendent of Schools
WILLIAMS SETTLEMENT LEGISLATION
ANNUAL REPORT FOR YUBA CITY UNIFIED SCHOOL DISTRICT 2023-24 FISCAL YEAR

This report summarizes the results of the Williams Site Visits and documentation for the 2023-24 school year.

INSTRUCTIONAL MATERIALS:

Schools were reviewed for sufficient textbooks and instructional materials** as noted below:

School	Review Date	# of Classrooms Visited	Subject/ Course	Textbook/Instructional Materials Needed	Grade	Period	Room #	# of Material Missing	Corrected on
Gray Avenue	9/1/2023	7	ELA/ELD/Math/HSS/ Science	NONE				NONE	N/A
Park Avenue	8/31/2023	6	ELA/ELD/Math/HSS/ Science	NONE				NONE	N/A
Yuba City High School	9/6/2023	15	ELA/ELD/Math/HSS/ Science	NONE				NONE	N/A

* Unannounced school(s)

**“Sufficient textbooks and instructional materials” means each pupil, including English learners, has a standards-aligned textbook or instructional materials, or both, to use in class and to take home in the four core areas (including science laboratory equipment in grades 9-12) as well as, for middle and high school, in world language and health.

SCHOOL FACILITIES:

Schools were reviewed for condition of facilities, whether they were in “good repair”* or pose an “emergency”** as noted below:

School	Review Date	Room/ Area	Facility Deficiencies Identified	Emergency	Correction/ Action Taken	Corrected On
Gray Avenue	8/31/2023	N/A	NONE		N/A	
Park Avenue	9/8/2023	N/A	NONE		N/A	
Yuba City High School	9/6/2023	N/A	NONE		N/A	

*“Good repair” means the facilities are clean, safe and functional as determined pursuant to the school facility inspection and evaluation instrument developed by the Office of Public School Construction or a local evaluation instrument that meets the same criteria.

** “Emergency condition” means a facility condition that poses a threat to the health or safety of pupils or staff while at school.

Sutter County Superintendent of Schools
WILLIAMS SETTLEMENT LEGISLATION
ANNUAL REPORT FOR YUBA CITY UNIFIED SCHOOL DISTRICT 2023-24 FISCAL YEAR

SCHOOL ACCOUNTABILITY REPORT CARD (SARC):

The 2022-23 School Accountability Report Cards (SARC) for the following schools were reviewed to determine the accuracy of the information reported for sufficiency of textbooks and instructional materials and safety, cleanliness, and adequacy of school facilities, including “good repair”:

School	SARC Review Date	Instructional Materials Discrepancies	Facility Conditions Discrepancies
Gray Avenue	9/8/2023	NONE	NONE
Park Avenue	9/8/2023	NONE	NONE
Yuba City High School	9/8/2023	NONE	NONE

TEACHER MISASSIGNMENTS AND TEACHER VACANCIES:

The results of teacher misassignments* and teacher vacancy** reviews for the following schools were:

(Note: The annual report will include the teacher misassignments and vacancies reported through CalSAAS annually. The quarterly reports will include the misassignments and vacancies identified upon completion of an annual review.

Schools	Gray Avenue	Park Avenue	Yuba City High School
Number of overall misassignments for the 2022-23 (Based on Census Date) ¹	2	0	13
Number of misassignments that were corrected within 30 calendar days (Based on Census Date)	0	0	0

¹ Overall misassignments includes both corrected and uncorrected misassignments (including vacancies) determined during the CalSAAS review based on Census date.

Sutter County Superintendent of Schools
WILLIAMS SETTLEMENT LEGISLATION
ANNUAL REPORT FOR YUBA CITY UNIFIED SCHOOL DISTRICT 2023-24 FISCAL YEAR

Number of classes in which the teacher was lacking the appropriate authorization and training to teach English Learners and 20% or more of students were English learners (Based on Census Date) ²	0	0	1
Number of Teacher Vacancies for the 2022-23 (Based on SARC Data) ³	0	0	0
Number of Teacher Vacancies Filled in the 2022-23 (Based on SARC Data)	0	0	0

*“Misassignment” means the placement of a certificated employee in a teaching or services position for which the employee does not hold a legally recognized certificate or credential or the placement of a certificated employee in a teaching or services position that the employee is not otherwise authorized by statute to hold. [E.C. 35186(h)(2)]. More than one misassignment may be identified within a certificated assignment (e.g., a special education teacher lacking authorization for potentially more than one disability). English learners (EL) misassignments are one per teacher of record and included in the total of misassignments.

**“Teacher vacancy” means a position to which a single designated certificated employee has not been assigned at the beginning of the year for an entire year or, if the position is for a one-semester course, a position to which a single designated certificated employee has not been assigned at the beginning of a semester for an entire semester. [E.C. Section 35186(h)(3) and C.C.R. Title 5 Section 4600(b)]

² Due to the revised monitoring process through CalSAAS, clarification is needed from CDE regarding whether the manual data collection of the number of English learner related misassignments involving classes in which 20% or more of the students are English learners is still required for the purposes of Williams reporting to CTC. The CalSAAS program does not currently collect or report this data. (Former CCSESA Guidance: [Outline of Process for Teacher Assignment Monitoring](#) and [Teacher Assignment Monitoring and Review Sample Templates](#))

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Sutter County Superintendent of Schools
WILLIAMS SETTLEMENT LEGISLATION
ANNUAL REPORT FOR YUBA CITY UNIFIED SCHOOL DISTRICT 2023-24 FISCAL YEAR

UNIFORM COMPLAINTS (OPTIONAL)⁴:

The number of complaints filed within the district during the <quarter> <year>, their nature, and resolution are noted below:

General Subject Area	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials	0	N/A	N/A
Teacher Misassignments or Vacancies	0	N/A	N/A
Facilities Conditions	0	N/A	N/A
TOTALS	0	N/A	N/A

⁴ Not applicable for charter schools

Agenda Item No. ____

BOARD AGENDA ITEM: _____

BOARD MEETING DATE: _____

AGENDA ITEM SUBMITTED FOR:

PREPARED BY:

_____ Action

_____ Reports/Presentation

SUBMITTED BY:

_____ Information

_____ Public Hearing

PRESENTING TO BOARD:

_____ Other (specify)

BACKGROUND AND SUMMARY INFORMATION:

Summary Report of Revenues, Expenditures and Changes in Fund Balance (Unrestricted and Restricted Combined)

October 2023

09/16/23-10/15/23

Description	Account Codes	Original Budget	Operating Budget	Actuals to Date	Projected Yr Totals	Difference (Col D - B)	2023-24 % Actuals as a % of Budget
		7/1/23 (A)	9/15/23 (B)	10/15/23 (C)	10/15/23 (D)	(E)	
A. Revenues							
1. Local Control Funding Formula	8010-8099	\$ 11,306,536	\$ 11,306,536	\$ 1,923,718	\$ 11,306,536	-	A 17.0%
2. Federal Revenues	8100-8299	\$ 5,036,967	\$ 5,253,594	\$ 555,226	\$ 5,249,204	(4,390)	B 10.6%
3. Other State Revenues	8300-8599	\$ 14,144,633	\$ 14,436,585	\$ 3,066,359	\$ 14,780,316	343,731	C 21.2%
4. Other Local Revenues	8600-8799	\$ 16,070,941	\$ 15,805,994	\$ 732,546	\$ 17,675,620	1,869,626	D 4.6%
5. TOTAL REVENUES		\$ 46,559,077	\$ 46,802,709	\$ 6,277,849	\$ 49,011,676	\$ 2,208,967	12.8%
B. Expenditures							
1. Certificated Salaries	1000-1999	\$ 10,147,561	\$ 10,169,191	\$ 2,147,612	\$ 10,695,129	525,938	E 21.1%
2. Classified Salaries	2000-2999	\$ 12,983,439	\$ 12,947,773	\$ 2,606,776	\$ 12,982,510	34,737	F 20.1%
3. Employee Benefits	3000-3999	\$ 10,672,644	\$ 10,681,989	\$ 1,948,866	\$ 10,777,330	95,341	G 18.2%
4. Books and Supplies	4000-4999	\$ 1,191,623	\$ 1,662,681	\$ 214,172	\$ 1,670,979	8,298	H 12.9%
5. Services, Other Operation	5000-5999	\$ 8,050,467	\$ 8,313,912	\$ 1,947,055	\$ 8,892,611	578,699	I 23.4%
6. Capital Outlay	6000-6999	\$ 648,184	\$ 1,100,305	\$ 87,532	\$ 1,100,305	-	J 8.0%
7. Other Outgo	7100-7299	\$ 509,024	\$ 560,007	\$ 192,862	\$ 1,705,421	1,145,414	K 34.4%
8. Direct Support/Indirect	7300-7399	\$ (117,633)	\$ (106,754)	\$ (17,062)	\$ (106,754)	-	L 16.0%
9. Debt Service	7400-7499	\$ -	\$ -	\$ -	\$ -	-	M 0.0%
10. TOTAL EXPENDITURES		\$ 44,085,309	\$ 45,329,104	\$ 9,127,813	\$ 47,717,531	2,388,427	20.1%
C. Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources and Uses (A5-B10)							
		\$ 2,473,768	\$ 1,473,605	\$ (2,849,964)	\$ 1,294,145	\$ (179,460)	-220.2%
D. Other Financing Sources/Uses							
1. Transfers In	8910-8979	\$ 35,000	\$ 35,050	\$ -	\$ 35,050	-	0.0%
2. Transfer Out	7610-7629	\$ 2,716,977	\$ 2,716,977	\$ -	\$ 2,716,977	-	0.0%
3. Contributions	8980-8999	\$ -	\$ -	\$ -	\$ -	-	0.0%
Total, Other Fin Sources/Uses		\$ (2,681,977)	\$ (2,681,927)	\$ -	\$ (2,681,927)	\$ -	0.0%
E. Net Change to Fund Balance							
		\$ (208,209)	\$ (1,208,322)	\$ (2,849,964)	\$ (1,387,782)	\$ (179,460)	H
F. Fund Balance (Fund 01 only)							
1. Beginning Balance		\$ 16,095,590	\$ 16,095,590	\$ 16,095,590	\$ 16,095,590	-	
2. Adjustments/Restatements		\$ -	\$ -	\$ -	\$ -	-	
Ending Balance		\$ 15,887,381	\$ 14,887,268	\$ 13,245,626	\$ 14,707,808	\$ (179,460)	
G. Components of Ending Fund Balance							
Designated Amounts	9711-9730	\$ 10,500	\$ 10,500	\$ -	\$ 10,500	\$ -	
Legally Restricted	9740-9760	\$ 4,911,518	\$ 3,453,379	\$ -	\$ 3,135,927	\$ -	
Assigned	9780	\$ 8,625,249	\$ 9,021,085	\$ -	\$ 9,039,656	\$ -	
Restricted Economic Uncertainty	9789	\$ 2,340,114	\$ 2,402,304	\$ -	\$ 2,521,725	\$ -	
Unassigned/Unappropriated	9790	\$ -	\$ -	\$ -	\$ -	\$ -	

Explanation of Differences
Net Change in Current Year Budget October Board Report
09/16/23-10/15/23

	<u>Amount</u>	<u>Explanation of Differences</u>
A		
<u>Local Control Funding Formula (8010-8099)</u>	<u>\$</u>	<u>-</u>
B		
<u>Federal Revenues (8100-8299)</u>		
One Stop	\$ 6,634	<i>Establishing budget for High Road Construction Careers</i>
Student Support and Outreach (SSO)	\$ 1,403	<i>Adjust budget to match award amount</i>
Infant Program	\$ (12,312)	<i>Adjust ARP IDEA Part C to actuals</i>
Various departments	\$ (115)	<i>Miscellaneous Adjustments</i>
	<u>\$ (4,390)</u>	
C		
<u>Other State Revenues (8300-8599)</u>		
Student Support and Outreach (SSO)	\$ 694,105	<i>Adjust budget for Learning Communities For School Success Program Grant</i>
Pathways Charter Academy	\$ 1,818	<i>Adjust budget for Mental Health Funds</i>
Special Education Local Plan Area (SELPA)	\$ (370,492)	<i>Adjust budget for Mental Health Funds</i>
Infant Program	\$ 18,300	<i>Adjust budget based on prior year P-2 and revised factor</i>
	<u>\$ 343,731</u>	
D		
<u>Other Local Revenues (8600-8799)</u>		
Curriculum, Instruction, and Accountability (CIA)	\$ 14,000	<i>Establish budget for ELOP Technical Assistance</i>
Student Support and Outreach (SSO)	\$ 362,291	<i>Establish budget for Social and Emotional Learning Communities of Practice</i>
Special Education Local Plan Area (SELPA)	\$ 1,492,934	<i>IDEA Mental Health monies from LEA's</i>
Various departments	\$ 401	<i>Miscellaneous Adjustments</i>
	<u>\$ 1,869,626</u>	
E		
<u>Certificated Salaries (1000-1999)</u>		
Special Education	\$ 523,881	<i>Adjust budget for caseload stipends and long term substitutes</i>
Student Support and Outreach (SSO)	\$ 4,156	<i>Updating budget to match award and grant amounts</i>
Infant Program	\$ (2,099)	<i>Adjust budget to actuals spent</i>
	<u>\$ 525,938</u>	
F		
<u>Classified Salaries (2000-2999)</u>		
Special Education	\$ 33,210	<i>Adjust budget for billbacks, Secretaries, Classifieds and Substitutes</i>
Student Support and Outreach (SSO)	\$ (2,913)	<i>Update budget to match Award and Grant amounts</i>
Feather River Academy (FRA)	\$ (1,026)	<i>Adjust budget for PCA transportation</i>
Pathways Charter Academy	\$ 5,526	<i>Adjust budget for PCA transportation</i>
Various departments	\$ (60)	<i>Miscellaneous Adjustments</i>
	<u>\$ 34,737</u>	

Explanation of Differences
Net Change in Current Year Budget October Board Report
09/16/23-10/15/23

	<u>Amount</u>	<u>Explanation of Differences</u>
G <u>Employee Benefits (3000-3999)</u>		
County Office		
Special Education	\$ 125,670	<i>Adjust budget for billbacks, Secretaries, Classifieds and Substitutes</i>
Student Support and Outreach (SSO)	\$ (28,200)	<i>Update budget to remove health benefits</i>
Infant Program	\$ (2,603)	<i>Adjust budget for first interim percentage change between resources</i>
Various departments	\$ 474	<i>Miscellaneous Adjustments</i>
	<u>\$ 95,341</u>	
H <u>Books and Supplies (4000-4999)</u>		
County Office	\$ 2,400	<i>Establish Culture and Climate Committee Budget</i>
Special Education	\$ 10,262	<i>Adjust budget to move supplies under sites</i>
One Stop	\$ 3,553	<i>Adjust budget for WIOA Adult and QUEST Participants</i>
Curriculum, Instruction, and Accountability (CIA)	\$ (4,900)	<i>Adjust budget for conference</i>
Student Support and Outreach (SSO)	\$ 1,710	<i>Adjust budget to purchase non capital equipment</i>
Feather River Academy (FRA)	\$ 1,591	<i>Adjust to balance Feather River Academy General Fund</i>
Pathways Charter Academy	\$ (6,547)	<i>Adjust budget for transporting students</i>
Various departments	\$ 229	<i>Miscellaneous Adjustments</i>
	<u>\$ 8,298</u>	
I <u>Services, Other Operations (5000-5999)</u>		
County Office	\$ (15,772)	<i>Adjust budget for 22/23 M&O True Up</i>
Special Education	\$ (389,815)	<i>Reduce subcontractors budgets</i>
One Stop	\$ 11,849	<i>Adjust budget for WIOA Adult and QUEST Participants</i>
Curriculum, Instruction, and Accountability (CIA)	\$ 10,791	<i>Adjust budget for conference and ELOP Tech Assist</i>
Student Support and Outreach (SSO)	\$ 963,869	<i>Adjust budget for LCSSP and SELCOP 3.0 Grants</i>
Feather River Academy (FRA)	\$ 3,658	<i>Adjust budget 22/23 M&O True Up</i>
Infant Program	\$ (6,309)	<i>Adjust budget to actuals spent</i>
Various departments	\$ 428	<i>Miscellaneous Adjustments</i>
	<u>\$ 578,699</u>	
J <u>Capital Outlay (6000-6999)</u>		
	<u>\$ -</u>	
K <u>Other Outgo (7100 - 7299)</u>		
Curriculum, Instruction, and Accountability (CIA)	\$ 4,000	<i>Adjust budget to match revised MOU</i>
Special Education Local Plan Area (SELPA)	\$ 1,141,414	<i>Adjust budget for IDEA, Mental Health and estimated Medi-Cal funds</i>
	<u>\$ 1,145,414</u>	
L <u>Direct Support / Indirect (7300-7399)</u>		
	<u>\$ -</u>	
M <u>Debt Services (7400 - 7499)</u>		
Various departments		

Explanation of Differences
Net Change in Current Year Budget October Board Report
09/16/23-10/15/23

	<u>Amount</u>	<u>Explanation of Differences</u>
	<u>\$ -</u>	
N <u>Transfers In (8910-8979)</u>	<u>\$ -</u>	
O <u>Transfers Out (7610-7629)</u>	<u>\$ -</u>	
P <u>Contributions (8980-8999)</u>	<u>\$ -</u>	
Net Change in Current Year Budget	\$ (179,460)	

Agenda Item No. _____

BOARD AGENDA ITEM: Site Profile Worksheet and Update Summary

BOARD MEETING DATE: November 8, 2023

AGENDA ITEM SUBMITTED FOR:

PREPARED BY:

Action

James Peters

Reports/Presentation

SUBMITTED BY:

Information

James Peters

Public Hearing

PRESENTING TO BOARD:

Other (specify)

James Peters

BACKGROUND AND SUMMARY INFORMATION:

Facilities Site Profile Worksheet and Update summary for the first quarter of FY23-24
Are being presented to the Board.

FY23-24 Quarterly Update

Facilities

- The Career Training & Conference Center (CTC) RFQ process has been completed, and the design-build entity has been approved—the contract is in effect with Hilbers Inc. and NMR Architects.
 - 30% of design drawings received and are being shared with the Board in the August Board meeting.
 - 30% GMP Board approved, design completion on schedule, currently at 50%

Klamath

- Phase 1 painting and reconfiguring workspaces/storage in Special Education offices is complete.
- Phase 2 to commence in the Winter
- Klamath HVAC design finalized. Going to Informal Bids in November of 2023.
- HR is under reconfiguration to maximize available spaces for orientations and confidential meetings. HR reconfiguration and moves complete
- Klamath and FRA are due for deferred rehabilitation of the landscaping. We will begin with the grass areas, with the goal of laying sod or hydro-seed (as applicable) by the end of October.
 - Klamath is getting new sod in November 2023
 - We are collaborating with Barrow's Landscape for improved planter design at both Klamath and FRA

FRA

- AB841 Mechanical systems maintenance and assessment still underway
 - New CO2 sensors have been installed in Classrooms
 - New HVAC replacements are complete
 - We are waiting on further information and possibly funding from the Energy Commission for more retrofits
- Boyd Hall asphalt slurry and stripe completed in July
- Boyd Hall boiler reached lifespan, replacement complete
- Classroom 1 life skills class expecting medically fragile students. A new floor and medical curtains have been added to improve the space
- The staff breakroom and the former bookroom received new floors and paint.
- We are currently developing a 5-year roof rehab/replacement plan with Garland Manufacturing.

Cosmetology

- The second round of students are in!
- The Salon is open to the public by appointment only
- A new cash register system is installed
- We were unable to extend our lease at 939 Live Oak Blvd, and are currently working quickly to build a new Cosmetology Studio in Building 1100.
 - The owner, John Coscarat, has been exceptionally supportive, allowing us to extend our Lease and to make the necessary building modifications to accommodate the program
 - Our goal to complete moves and open school at 1100 is December 20, 2023
 - Currently approximately 20% are complete with the remodel
 - FMO&F is very thankful that we accomplished so many of our goals during the summer! Now, we get to practice our Salon building skills!

Shady Creek

- The HVAC project design was received, and the Esser III funds for the project were approved on August 1, 2023.
- The HVAC retrofit project bid process is open,
 - A pre-bid site walk was conducted on October 26, we had a great turnout of four (04) General (Prime) Contractors and six (06) sub-contractors.
 - Bids are due at 2:00 p.m. November 13, 2023.

Special Ed

- Classroom 103 at Sutter Union High School is complete

Districts

- We assisted Brittan Elementary and Pleasant Grove Elementary in installing their new water bottle fillers.
- Browns Elementary had a massive backlog of tree services that needed to be done, and the cost was prohibitive. We sent our highly skilled and caring crew and helped them overcome the hurdle!

Fleet

- We are preparing to rotate out five termed leases on our coupes. Applying the equity from the trade-in reduces the ongoing monthly cost of the new vehicle leases.
 - Vehicles are ordered – five (05) sedans, two (02) mini-vans
- We have several older vans in our fleet that we are preparing to surplus this year. Some will be replaced with new leases, while others will reduce the fleet size. We will apply the equity gained from the trade-in of all the vans to the new leases to keep costs down.
- Our two Special Ed ADA vans are aging out, and maintenance costs are increasing. Additionally, our life skills classes will require additional van support. The SELPA has received approval to use SELPA funds to replace the vehicles.
 - Vans expected to arrive in November

Site Profile Worksheet - Projects in queue

Fiscal Year 23-24

October 30, 2023

Estimate

Status

Facilities

\$1,314,918.00

Harter Bldg Phase 2 design completion	\$438,679.00	Complete
CTC Bldg Phase 3 construction (FY portion)	\$876,239.00	Design at 50% completion

Klamath

\$170,000.00

HVAC redesign and replacement	\$80,000.00	Bidding in Fall 23-24
Annual painting +/-1400 sq. ft.	\$3,000.00	Complete
Floor finish replacement +/- 1400 sq. ft.	\$12,000.00	Complete
HR reconfigure	\$15,000.00	Complete
Landscape grass rehabilitation	\$60,000.00	Contracted - begins 10/30/23

1 Stop Gateway

\$9,000.00

Marquee sign replacement	\$5,000.00	On hold
Health Careers curtains	\$4,000.00	Fall 23-24
Relocate Cosmetology to bldg 1100	\$50,000.00	In process - 20% complete

FRA

\$132,700.00

HVAC assessment and replacement	\$60,000.00	Complete
Annual painting +/-1800 sq. ft.	\$2,700.00	Complete
Flooring replacement in +/- 2400 sq. ft	\$15,000.00	Complete
Boyd Hall storage/kitchen roof replacement	\$35,000.00	In development
Boyd Hall boiler replacement	\$20,000.00	Complete

Adult Ed

\$0.00

Install safe for cash security		Complete
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Cosmetology

\$0.00

Install cash register system	\$0.00	Complete
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Fleet

\$250,000.00

Replace two (02) ADA vans and add a third	\$250,000.00	Vehicles to deliver in Nov 2023 In process, ordered, 26 wk lead time
Rotate out five Sentras for new leases	\$0.00	
Surplus of three old vans for two new mini-van	\$0.00	In process, ordered, 26 wk lead time
Add electric golf cart for program	\$11,000.00	Complete

Shady Creek

\$448,400.00

Site road repair and slurry	\$35,000.00	Complete
HVAC assessment and design	\$350,400.00	Bid process underway, closes Nov 13
Raptor Ridge roof rehabilitation	\$60,000.00	With HVAC project
Holland Hall floor replacement	\$3,000.00	Complete
Total	\$2,325,018.00	

BOARD AGENDA ITEM: First Reading of Revisions to Board Policies

BOARD MEETING DATE: November 8, 2023

AGENDA ITEM SUBMITTED FOR:

 Action

 Reports/Presentation

 ✓ Information

 Public Hearing

 Other (specify)

PREPARED BY:

Ron Sherrod

SUBMITTED BY:

Ron Sherrod

PRESENTING TO BOARD:

Ron Sherrod

BACKGROUND AND SUMMARY INFORMATION:

The following revised Board Policies are presented to the Board for a first reading:

- AR 3451 – Petty Cash Funds
- AR 3452 – Student Activity Funds
- AR 3400 – Management of County Office Assets/Accounts
- BP 3400 - Management of County Office Assets/Accounts
- AR 3440 - Inventories

*Administrative Regulation
Series 3000 - Business and Noninstructional Operations*

MANAGEMENT OF COUNTY OFFICE ASSETS/ACCOUNTS

Accounts

The County Office's accounting system shall fully comply with the definitions, instructions and procedures set forth in the California Department of Education School Accounting Manual. (Education Code 41010)

The Superintendent or designee shall ensure that funds are encumbered in the County Office's accounting records immediately after an expenditure is committed for subsequent payment.

Fraud Prevention and Investigation

Fraud, financial improprieties or irregularities include but are not limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the County Office
2. Forgery or unauthorized alteration of a check, bank draft or any other financial document
3. Misappropriation of funds, securities, supplies or other assets
4. Impropriety in the handling of money or reporting of financial transactions
5. Profiteering as a result of insider knowledge of County Office information or activities
6. Disclosing confidential and/or proprietary information to outside parties
7. Disclosing investment activities engaged in or contemplated by the County Office
8. Accepting or seeking anything of material value from contractors, vendors or persons providing services or materials to the County Office
9. Destroying, removing or inappropriately using of records, furniture, fixtures or equipment
10. Failing to provide financial records to authorized state or local entities

11. Any other dishonest or fraudulent act

The Superintendent or designee shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential.

If an investigation substantiates the occurrence of a fraudulent activity, the Superintendent or designee shall issue a report to appropriate personnel and to the Sutter County Board of Education. The final disposition of the matter and any decision to file a criminal complaint or refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with legal counsel. The result of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate need to know.

*Board Policy
Series 3000 - Business and Noninstructional Operations*

MANAGEMENT OF COUNTY OFFICE ASSETS/ACCOUNTS

The Sutter County Board of Education and the Superintendent recognize their fiduciary responsibility to effectively manage and safeguard the assets and resources of the County Office in order to help achieve the goals for student learning. The Superintendent or designee shall establish and maintain an accurate, efficient financial management system that enhances the County Office's ability to meet its fiscal obligations, produces reliable financial reports, and complies with laws, regulations, policies, and procedures. He/she shall ensure that the accounting system provides ongoing internal controls and meets generally accepted accounting standards.

Capital Assets

The Superintendent or designee shall develop a system to accurately identify and value assets in order to help ensure financial accountability and to minimize the risk of loss or misuse. Assets with a useful life of more than one year and an initial acquisition cost of \$5,000 or more shall be considered capital assets. The Superintendent or designee shall determine the estimated useful life of each capital asset and shall calculate and report the estimated loss of value or depreciation during each accounting period for all capital assets.

Lease Capitalization

Leases that are not classified as short-term and whose aggregate payments made or received exceed \$100,000 will be capitalized ("Capitalization Threshold") in compliance with GASB 87, except as noted below:

- Leases that transfer ownership and do not contain termination options
- Short-term leases (12 months or less)
- Leases of assets that are investments
- Intangible assets (mineral rights, patents, software, copyrights)
- Biological assets (timber, living plants, living animals)
- Supply contracts
- Items deemed immaterial after consultation with auditors
- \$1 Leases or similar, not an exchange/exchange-like transaction

Internal Controls/Fraud Prevention

The Sutter County Board of Education and Superintendent expects Board members, employees, consultants, vendors, contractors, and other parties maintaining a business relationship with the County Office to act with integrity

and due diligence in dealings involving County Office assets and fiscal resources.

The Superintendent or designee shall develop internal controls which aid in the prevention and detection of fraud, financial impropriety, or irregularity. These internal controls may include, but are not limited to, segregating employee duties relating to authorization, custody of assets, and recording or reporting of transactions; providing detailed, written job descriptions explaining the segregation of functions; adopting an integrated financial system; conducting background checks on business office employees; and requiring continuous in-service training for business office staff on the importance of fraud prevention.

All employees shall be alert for any indication of fraud, financial impropriety, or irregularity within their area of responsibility. Any employee who suspects fraud, impropriety, or irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the Superintendent or designee. In addition, the Superintendent or designee shall establish a method for employees and outside persons to anonymously report any suspected instances of fraud, impropriety, or irregularity.

The Superintendent or designee shall have primary responsibility for any necessary investigations of suspected fraud, impropriety, or irregularity, in coordination with legal counsel, auditors, law enforcement agencies, or other governmental entities, as appropriate.

Legal Reference:

EDUCATION CODE

14500-14508 Financial and compliance audits

35035 Powers and duties of superintendent

35250 Duty to keep certain records and reports

41010-41023 Accounting regulations, budget controls and audits

42600-42604 Control of expenditures

42647 Drawing of warrants by district on county treasurer; form; reports,
statements and other data

GOVERNMENT CODE

53995-53997 Obligation of contract

Administrative Regulation
Series 3000 - Business and Non-instructional Operations

Inventories

In order to provide for the proper tracking and control of County Office property, the Superintendent or designee shall maintain an inventory of equipment in accordance with law for the following:

1. All equipment items currently valued in excess of \$500 (Education Code 35168)
2. All equipment items purchased with state and/or federal categorical funds that have a useful life of more than one year with an acquisition cost of \$500 or more per unit

In addition, the Superintendent or designee may maintain a list of specific items which shall be inventoried for internal control purposes regardless of their initial cost or current value.

The inventory shall contain a record of the following information: (Education Code 35168; 5 CCR 3946)

1. Name and description of the property
2. Identification number
3. Original cost of the item of equipment or a reasonable estimate if the original cost is unknown
4. Date of acquisition
5. Location of use
6. The date and method of disposal

In addition to the information specified in items #1-6 above, the following information shall be recorded for equipment acquired with state and/or federal categorical funds unless otherwise specified in law: (5 CCR 3946; 2 CFR 200.313)

1. Source of the property (funding source)
2. Titleholder
3. Percentage of federal participation in the cost of the property

4. Use and condition of property
5. Sale price of the property upon disposition and method used to determine current fair market value

At the time of purchase, the Superintendent or designee shall affix a label to the equipment containing the identification number and the County Office name. Equipment items purchased with categorical program funds shall also be labeled with the name of the project in accordance with 5 CCR 3946.

Whenever an equipment item is moved to a new location or the equipment is used for a new purpose, the new location or purpose shall be recorded in the inventory.

Physical Inventory

At least once every two years, a physical inventory of equipment shall be conducted and the results reconciled with the property records. (2 CFR 200.313)

The Superintendent or designee shall establish procedures for conducting the physical inventory which shall include, but not be limited to, designation of person(s) responsible for coordinating and conducting the inventory, preparation and distribution of count sheets, procedures for implementing the inventory, and procedures for conducting a recount to substantiate the validity of the inventory.

The Superintendent or designee shall investigate any differences between the quantities determined by the physical inspection and those in the accounting records.

*Administrative Regulation
Series 3000 - Business and Noninstructional Operations*

Petty Cash Funds

In order to facilitate minor purchases, the Superintendent or designee may establish petty cash at certain Sutter County Superintendent of Schools Office sites. The petty cash shall be used for unforeseen, small expenses, such as postage or individual purchases of supplies.

The designee at each site shall be responsible for all expenditures from each fund and shall create a system for tracking fund expenditures. Each expenditure shall be supported by appropriate documentation.

Expenditures shall be reconciled and accounted for whenever the fund be replenished, at the end of the fiscal year, or at the request of the Superintendent or designee.

The designee shall ensure that the petty cash fund is kept in a safe and secure location.

Legal Reference:

EDUCATION CODE

- 35160 Authority of governing boards
- 35250 Duty to keep certain records
- 41020 Requirement for annual audit
- 42800-42810 Revolving funds

*Administrative Regulation
Series 3000 - Business and Non-instructional Operations*

Student Activity Funds

The Sutter County Board of Education and the Superintendent recognizes that student organizations can provide students with an opportunity to conduct worthwhile cocurricular activities beyond those provided by the County Office and can also help students learn about effective financial practices. To that end, student organizations may raise and spend funds to support activities that promote the general welfare, morale, and educational experiences of the student body.

Fund-Raising Events

The Superintendent or designee shall review the proposed events and determine whether the events contribute to the educational experience and are not in conflict with or detract from the school's educational program. When reviewing proposed events, the Superintendent or designee shall consider the effects of the activities on student health and safety, evaluate the risk of liability to the County Office, and ensure that the proposed activities are in compliance with law, Board Policy, Superintendent policy, and administrative regulation.

Management of Funds

Student body funds shall be managed in accordance with law and sound business procedures designed to encourage the largest possible educational return to students without sacrificing the security of funds.

The Superintendent or designee shall develop internal control procedures to safeguard the organization's assets, promote the success of fund-raising ventures, provide reliable financial information, and reduce the risk of fraud and abuse. These procedures shall detail the oversight of activities and funds including, but not limited to, the appropriate role and provision of training for staff and students, parameters for events on campus, appropriate and prohibited uses of funds, and accounting and record-keeping processes, including procedures for handling questionable expenditures.

The principal or designee shall be responsible for the proper conduct of all student organization financial activities. The Superintendent or designee shall periodically review the organization's use of funds to ensure compliance with the County Office's internal control procedures.

BOARD AGENDA ITEM: COP Financing Results Presentation

BOARD MEETING DATE: November 8, 2023

AGENDA ITEM SUBMITTED FOR:

- Action
- Reports/Presentation
- Information
- Public Hearing
- Other (specify)

PREPARED BY:

Ron Sherrod

SUBMITTED BY:

Ron Sherrod

PRESENTING TO BOARD:

Lori Raineri & Keith Weaver
Government Financial Services JPA

BACKGROUND AND SUMMARY INFORMATION:

To provide a presentation summarizing the results of the COP financing.

Sutter County Superintendent of Schools

Financing Results for New Career Training & Conference Center



SUTTER COUNTY SUPERINTENDENT OF SCHOOLS
Tom Reusser, Superintendent



**Government
Financial Services**

Joint Powers Authority

November 8, 2023
Presented by Lori Raineri and Keith Weaver

Agenda

◆ Review of Financing Plan

◆ Challenges and Strategies Leading Up To Sale

◆ Sale Process and Results

◆ In Summary

◆ For Reference

- ▶ Detailed costs of issuance

- ▶ Presentation dated August 31, 2023



Update of Financing Plan

- ◆ Construction of the new Career Training & Conference Center will be paid from:

- ▶ Internal cash contributions

Preliminary Cash Contribution Plan		Actual Cash Contribution Plan	
<i><u>Funding Source</u></i>	<i><u>Cash Contribution</u></i>	<i><u>Funding Source</u></i>	<i><u>Cash Contribution</u></i>
Property Sales:	\$2,000,000	Property Sales:	\$2,000,000
Capital Outlay Reserve:	\$7,000,000	Capital Outlay Reserve:	\$5,793,020
Total:	\$9,000,000	Total:	\$7,793,020

- ▶ COP Financing

Preliminary Construction Funding Plan		Actual Construction Funding Plan	
<i><u>Funding Source</u></i>	<i><u>Contribution</u></i>	<i><u>Funding Source</u></i>	<i><u>Contribution</u></i>
Cash Contribution:	\$9,000,000	Cash Contribution:	\$7,793,020
Financing Proceeds:	\$16,097,549	Financing Proceeds:	\$16,097,549
Total:	\$25,097,549	Total:	\$23,890,569

Note: Capital outlay reserve (Fund 40) had estimated fund balance of \$8.2 million including funds from property sales, per FY 2023-24 Budget, with the full \$9.0 million now available.

Several GFOA Best Practices Utilized

◆ Government Finance Officers Association (GFOA):



▶ Competitive Process to Select Underwriter/Bank



▶ Evaluated and Selected Credit Rating Agencies



▶ Managed the Cost of Debt Issuance



▶ Call Features Incorporated into New Issuances



▶ Use of Independent Public Finance Consultant



Agenda

✓ Review of Financing Plan

◆ Challenges and Strategies Leading Up To Sale

◆ Sale Process and Results

◆ In Summary

◆ For Reference

▶ Detailed costs of issuance

▶ Presentation dated August 31, 2023



Challenges and Strategies

◆ Several challenges faced us:

- ▶ 40-year financing is longer than typically seen in the market
 - 30 years or less is more typical
- ▶ Rising market interest rates

◆ Strategies to address challenges:

- ▶ Conservative assumptions in financial plan
- ▶ Credit rating
 - an indication of credit quality and risk to the COP investor
- ▶ Bond insurance
 - a type of insurance policy that provides for the repayment of the principal and interest payments to the investors in the event of default

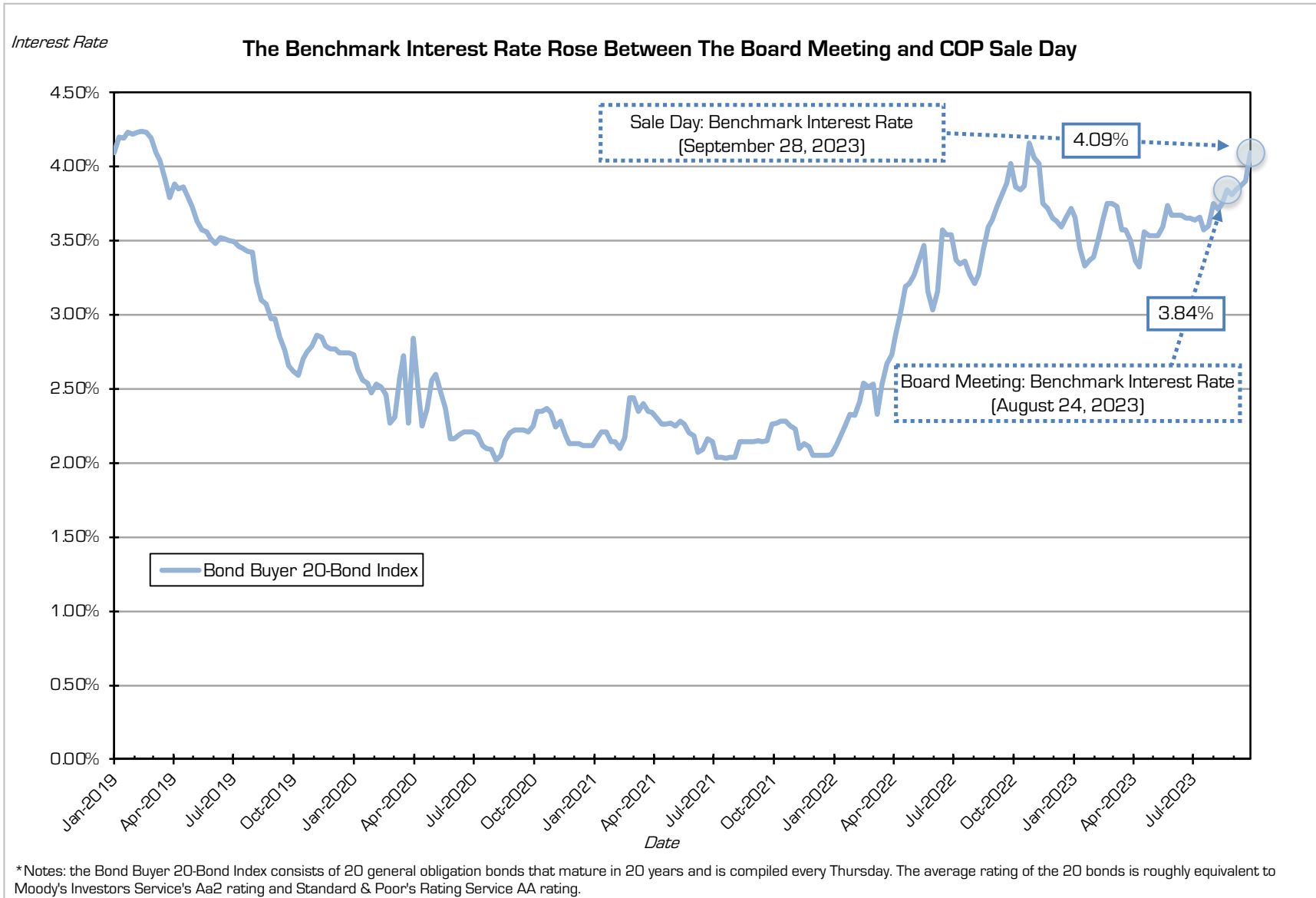
✓ *Credit rating and bond insurance provide assurance to investors and make the financing more attractive to potential bidders, and therefore may help reduce interest cost.*

Strategy #1: Assumptions

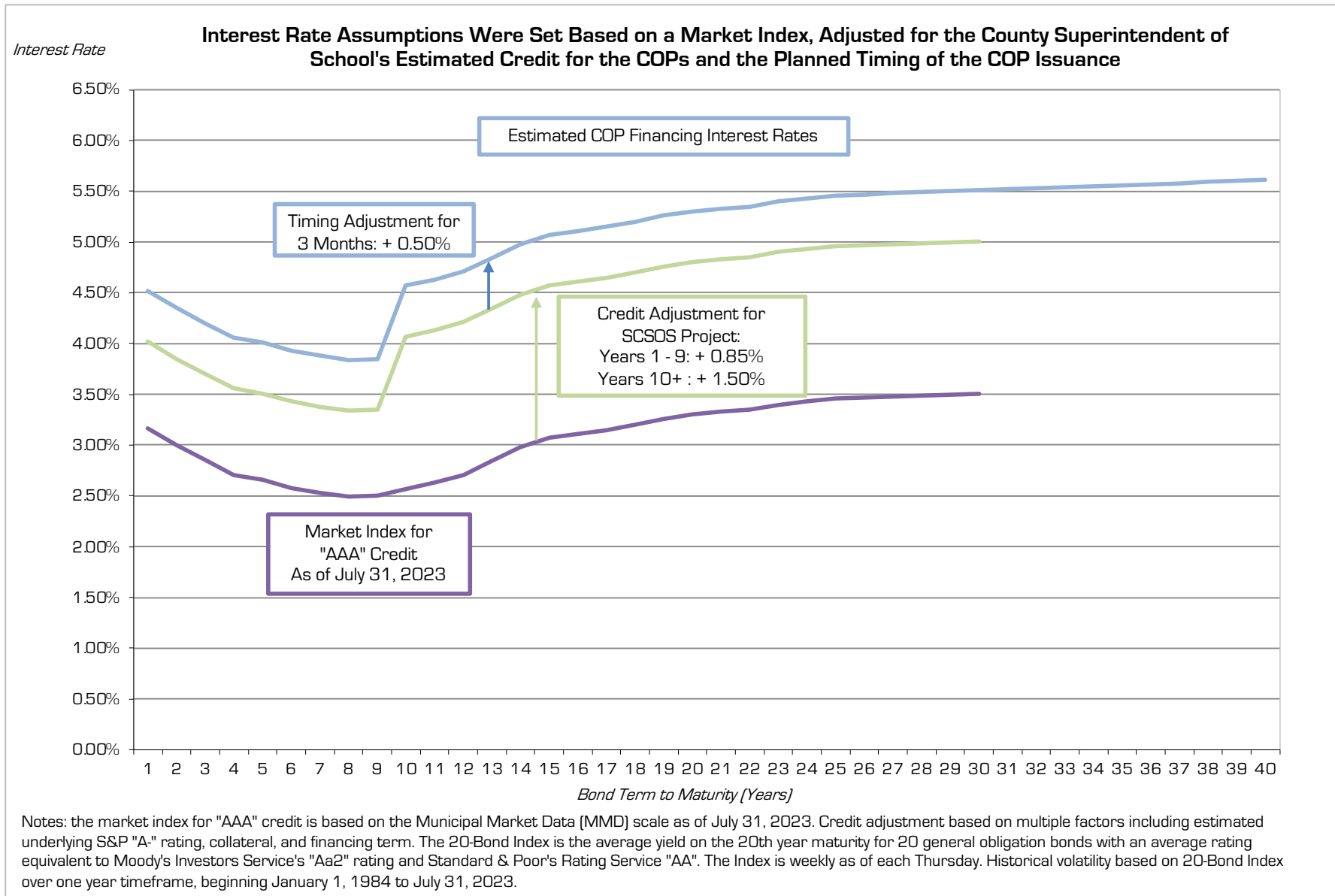
- ◆ At the time of the Board meeting on August 31, interest rates remained elevated
- ◆ Market interest rates beyond our control
- ◆ Risk mitigation action:
 - ▶ Conservative assumptions in financing plan included:
 - “A-” credit rating
 - Bond insurance not available



Strategy #1: Assumptions (continued)



Strategy #1: Assumptions (continued)



Strategy #2: Credit Rating

- ◆ SCSOS COPs were evaluated for a credit rating by one of the main credit rating agencies: S&P Global Ratings

S&P Global
Ratings

- ◆ On September 15, the new COPs received rating of “A+”
 - ▶ Stable local economy
 - ▶ Positive operating performance
 - sustained structural balance
 - very strong reserves
 - ▶ Good financial management policies and practices
 - monthly reporting of budget-to-actuals and investment performance to the governing board
 - formal 5% reserve policy
 - ▶ Manageable debt burden, with OPEB set-aside equal to unfunded liability

Strategy #2: Credit Rating (continued)

- ✓ The “A+” rating is an upgrade from the “A” rating received for SCSOS’ 2008 COPs

S&P's Bond Rating Scale		
AAA	●	Prime
AA+	●	
AA	●	
AA-	●	High grade
A+	●	
A	●	Upper medium grade
A-	●	
BBB+	●	
BBB	●	Lower medium grade
BBB-	●	
Investment Grade		
BB+	●	Speculative
BB	●	
BB-	●	
B+	●	Very speculative
B	●	
B-	●	
CCC+	●	Extremely speculative
CCC	●	
CCC-	●	Default imminent
CC	●	
C	●	
D	●	In default
Non - Investment Grade		

Strategy #3: Bond Insurance

- ◆ Based on market research, qualifying for bond insurance appeared crucial to obtain the market attention among potential bidders
- ◆ The main challenge to obtaining bond insurance is that, historically, bond insurers did not want to undertake construction risk when the project to be constructed is also the collateral
 - ▶ Sufficiency of collateral value required two existing sites and the building to be constructed:
 - Main Administration (insured value ~\$5 million)
 - Feather River Academy (insured value ~\$7 million)

Strategy #3: Bond Insurance (continued)

- ◆ Two major insurance companies in the industry:
 - ▶ Assured Guaranty Municipal
 - confirmed that AGM would not offer insurance due to construction risk
 - ▶ Build America Mutual
 - willing to reconsider their standard position on construction risk
 - was already reviewing their thinking



Strategy #3: Bond Insurance (continued)

- ◆ Build America Mutual's Head of Public Finance, West Region personally oversaw the credit review process

- ◆ Credit positives:
 - ▶ Financial strength of SCSOS
 - ▶ SCSOS cash contribution to construction project and commitment to spend cash on-hand concurrently with financing proceeds

- ✓ *Receipt of BAM insurance added an "AA Insured Credit Rating" to the financing, an enhancement to the "A+ Underlying Rating"*
- ✓ *SCSOS became the first in California to obtain BAM insurance with construction risk of underlying collateral*

Agenda

- ✓ Review of Financing Plan
- ✓ Challenges and Strategies Leading Up To Sale

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- ▶ Presentation dated August 31, 2023



Headlines Leading Up to Sale: Market Uncertainty

Week Prior

www.bondbuyer.com/news/2023/09/21/primary-bond-market

THE BOND BUYER

Primary bond market

Munis sell off after Fed indicates rates will be higher for longer

September 21, 2023, 3:59 p.m. EDT 10 Min Read

Munis sold off Thursday, joining bond markets and equities in a rout after the Fed signaled that interest rates would be higher for longer.

The Federal Open Market Committee held rates steady Wednesday, as expected, but signaled another hike this year.

Munis were steady Wednesday but triple-A yields were cut eight to 16 basis points Thursday, depending on the scale, following along with U.S. Treasuries which saw the largest losses out long.

Ratios rose. The two-year muni-to-Treasury ratio Thursday was at 65%, the three-year was at 66%, the five-year at 67%, the 10-year at 71% and the 30-year at 89%, according to Refinitiv MMD's 3 p.m. read. ICE Data Services had the two-year at 65%, the three-year at 67%, the five-year at 67%, the 10-year at 72% and the 30-year at 83% at 4 p.m.

Art Churnov

Refinitiv Lipper sees outflows

Date	Muni total	High-yield total
9/10	-\$0.2B	-\$0.1B
9/11	-\$0.1B	-\$0.1B
9/12	-\$0.2B	-\$0.1B
9/13	-\$0.3B	-\$0.2B
9/14	-\$0.4B	-\$0.3B
9/15	-\$0.5B	-\$0.4B
9/16	-\$0.6B	-\$0.5B
9/17	-\$0.7B	-\$0.6B
9/18	-\$0.8B	-\$0.7B
9/19	-\$0.9B	-\$0.8B
9/20	-\$1.0B	-\$0.9B
9/21	-\$1.5B	-\$0.5B

Source: Refinitiv Lipper

Week Of

www.usatoday.com/story/money/2023/09/27/how-will-2023-government-shutdown-affect-stock-market/70985143007/

What happens to the stock market if the government shuts down? The dollars and cents of it

MONEY

A government shutdown is looking increasingly likely to begin this Sunday, a development that has been rattling some investors.

While a potential shutdown isn't expected to have much of an impact on the stock market, experts say it has contributed to the S&P 500's more than 5% dip so far this month, to 4,275.

It's "one of the reasons why you've seen the market weaken," according to Marc Zabicki, chief investment officer of LPL Financial. But after the potential shutdown begins, "I don't know that you're going to get any stark reaction from asset markets come Oct. 2 next week. I think it's already largely been built into prices."

◆ Despite market uncertainty, underwriters continued to express interest in SCSOS COPs in days leading up to sale

Sale Process

OVERVIEW REPORT



Issuer	State	Issue Size	Sale Date
Sutter County Board of Education	CA	\$18,025,000	09/28/2023
Issue Description		Moody's/S&P/Fitch/Kroll	Sale Time
2023 Certificates of Participation		/A+ //	8:35AM PDST
Dated Date	Due Date	First Int Date	Delivery
10/19/2023	10/01/2026 Thru 10/01/2063	10/01/2024	On or about 10/19/2023
Bid Award		Bank Qualified	
Low TIC - Dated Date excluding Accrued Int		No	
Series Size		Series Description	
\$18,025,000		2023 Certificates of Participation	
Security Type	Bond Form	Insured By Issuer/Enhancement	Interest
COP/Lease	Book Entry	Yes - BAM	A1-O1

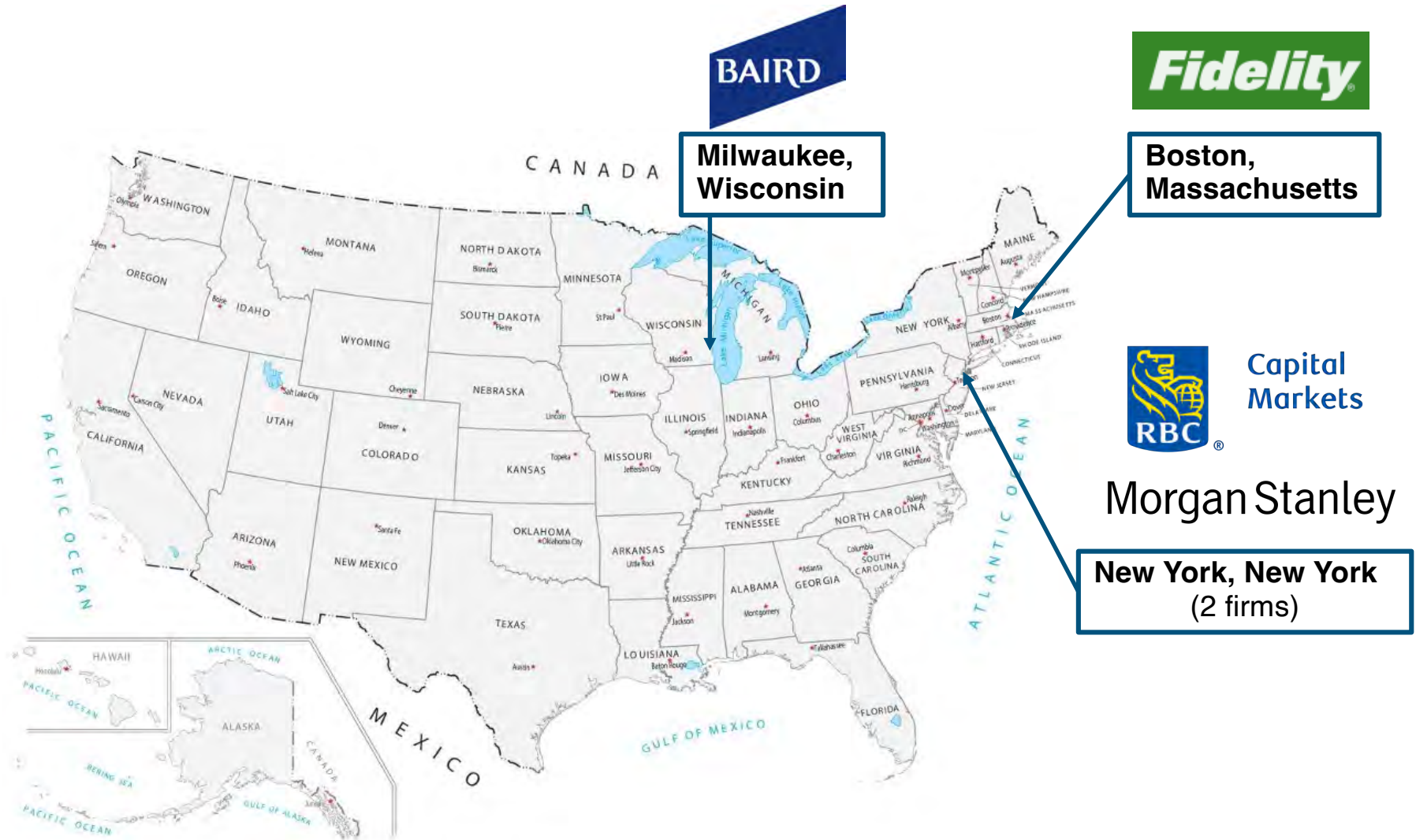
- ◆ Internet sale notification and bidding
 - ▶ PARITY online bidding platform
 - Used to notify potential bidders and to accept bids
 - Any bank or underwriter may bid
 - Bidding allowed within flexible parameters
 - ▶ AVIA printing company provides electronic prospectus posting
 - ▶ Posting in *The Bond Buyer* and other industry news outlets

Sale Process (continued)

- ◆ Competitive bidding on Thursday, September 28, with bidding concluding at 8:35a.m., and attended virtually by the Assistant Superintendent, Business Services
- ✓ *More competition → better results for SCSOS*

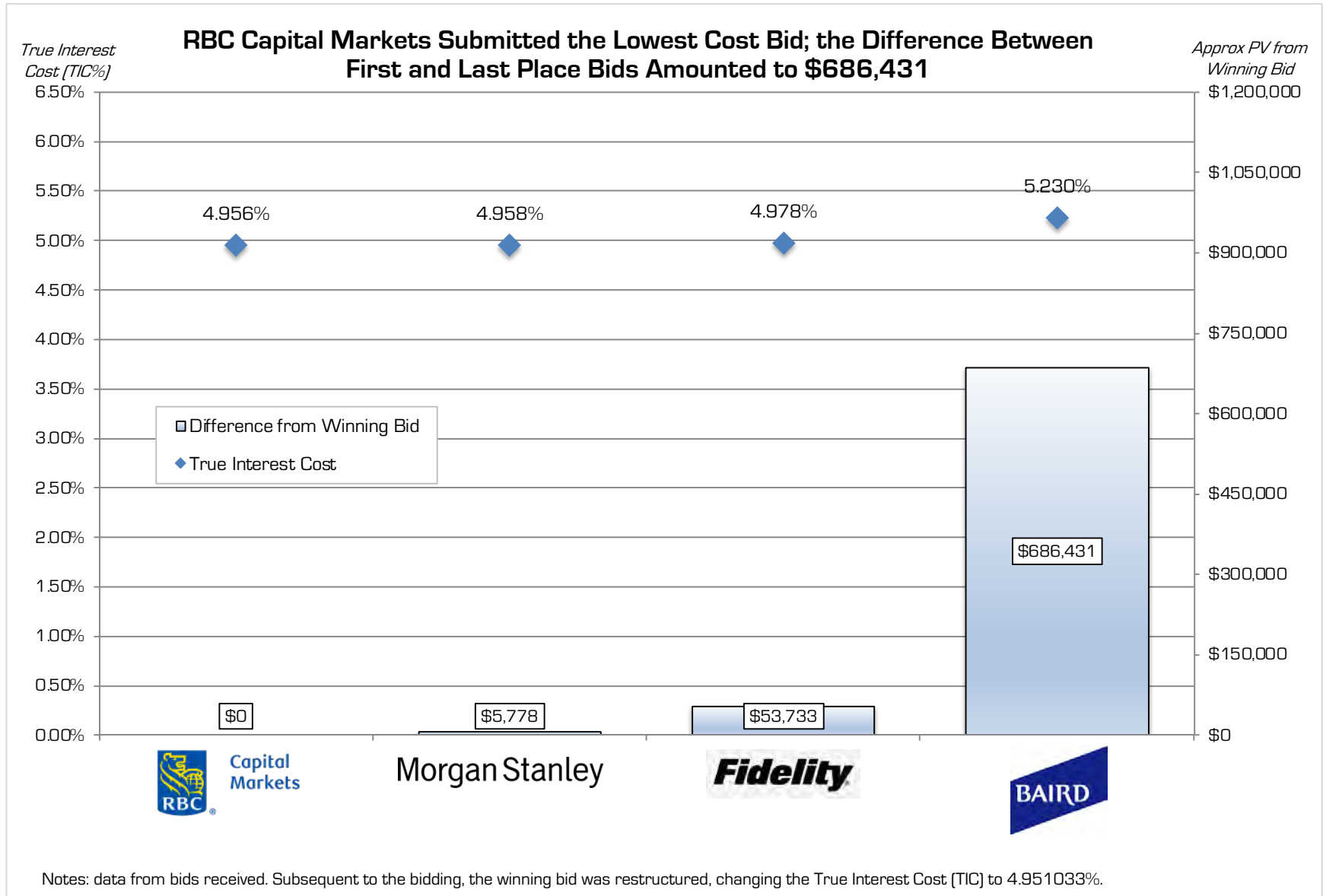


4 Firms Bid From Across the U.S.



Note: location represents bidder's location.

Bid Results



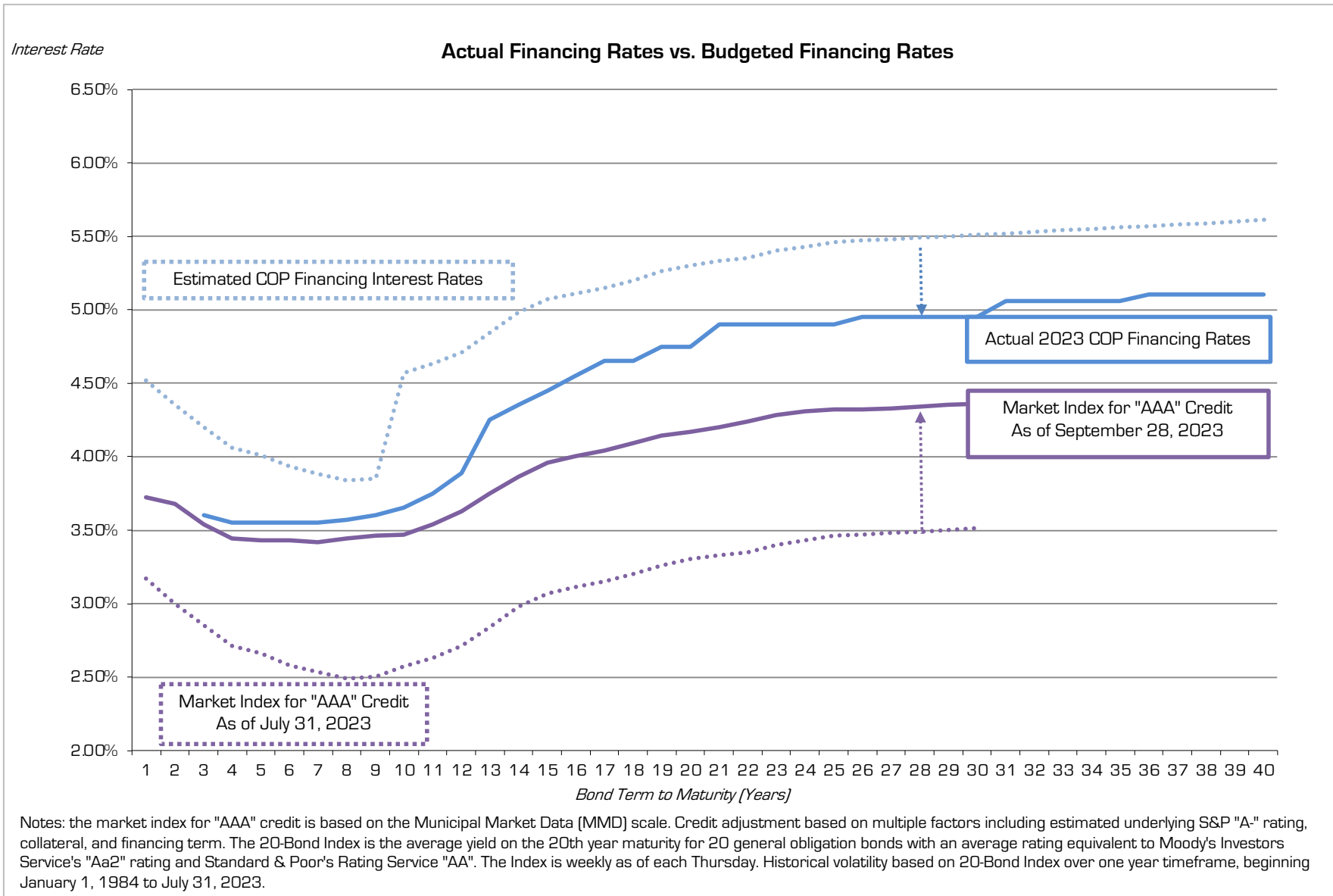
Participation Compared to Past COE COP Sales

- ◆ Examples of other county office of education COPs competitively bid (past 20 years):
 - ▶ Yuba COE 2003 COPs: 4 bids
 - ▶ Yolo COE 2004 COPs: 2 bids
 - ▶ SCSOS 2008 COPs for Shady Creek: 2 bids
 - ▶ Madera CSOS 2011 COPs: 4 bids
 - ▶ Yolo COE 2015 COPs: 3 bids

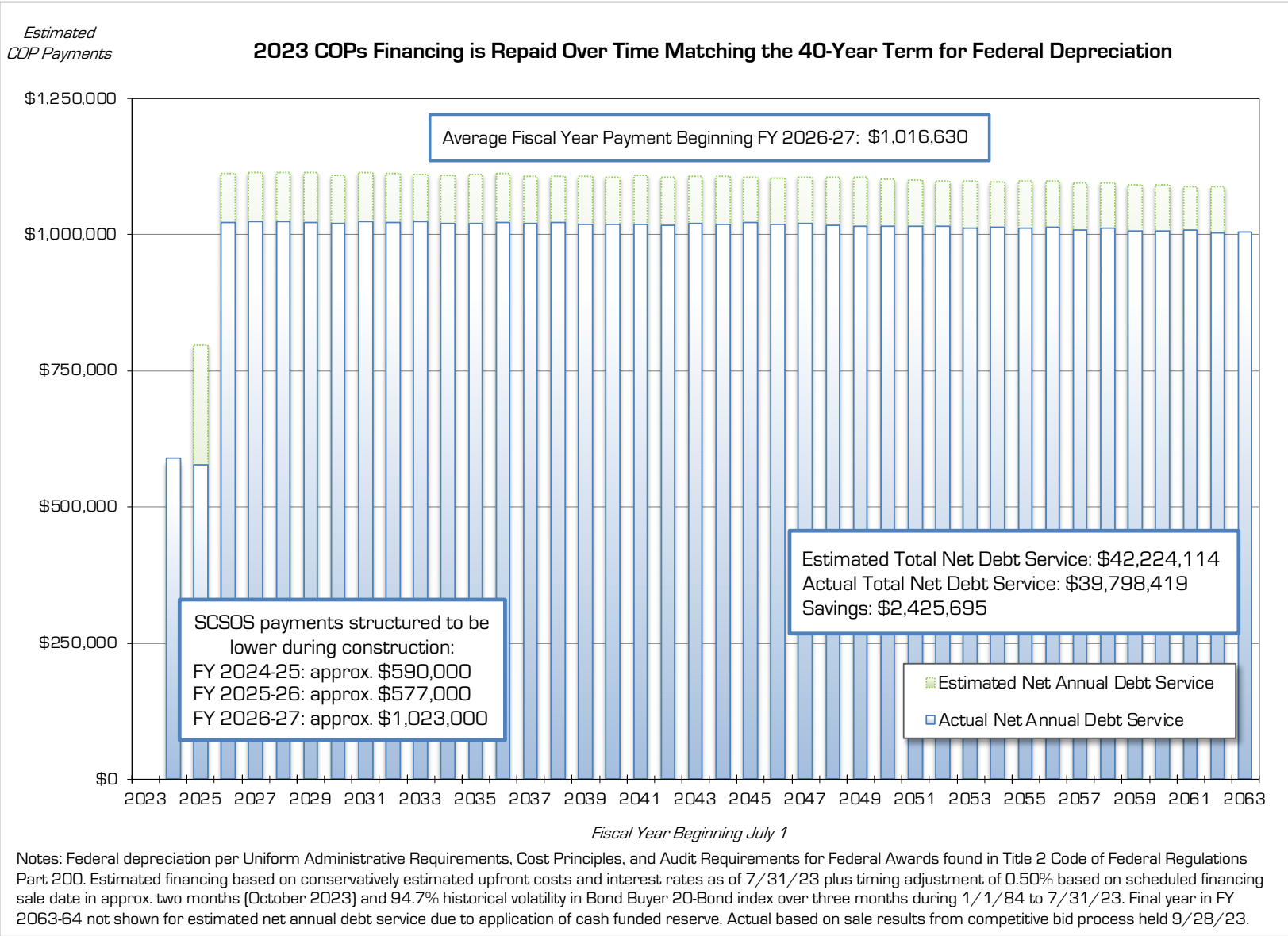
- ◆ More bids were received for these COPs than the 2008 COPs

- ◆ 4 bids is the high end of the range of bids we have seen historically for county offices of education

Actual Rates Beat Conservative Assumptions



Actual Debt Service Payments



Comparison to Budget

	<i><u>Budgeted</u></i>	<i><u>Actual</u></i>	<i><u>Difference</u></i>
COP Issuance Amount	\$18,740,000	\$18,040,000	(\$700,000)
Original Issue Discount	(\$146,838)	(\$506,934)	(\$360,097)
Costs of Issuance	(\$201,000)	(\$191,408)	\$9,592
Underwriter's Discount	(\$234,250)	(\$124,699)	\$109,551
Cash Funded Reserve	(\$1,165,775)	\$0	\$1,165,775
Reserve - Policy	\$0	(\$25,756)	(\$25,756)
Capitalized Interest	(\$894,138)	(\$910,463)	(\$16,325)
Bond Insurance Policy	\$0	(\$183,190)	(\$183,190)
Rounding	(\$450)	\$0	\$450
Net Proceeds	\$16,097,549	\$16,097,549	\$0

- ◆ Market conditions resulted in higher original issue discount than budgeted
- ◆ However, costs of issuance and underwriter's discount were lower than budgeted
- ◆ Because the financing qualified for BAM insurance, we were also able to purchase a reserve policy from BAM to replace the cash-funded reserve
- ◆ Overall, a smaller financing was needed to generate the funds for the project.

Financial Success

◆ Smaller financing with less cost and lower debt service:

✓ *Financing reduced by \$700,000*

<i>Estimate</i>	<i>Actual</i>	<i>Change</i>
\$18,740,000	\$18,040,000	(\$700,000)



✓ *Costs reduced by \$700,000*

<i>Estimate</i>	<i>Actual</i>	<i>Change</i>
\$2,642,451	\$1,942,451	(\$700,000)



✓ *Debt service reduced by \$2.4 million*

<i>Estimate</i>	<i>Actual</i>	<i>Change</i>
\$42,224,114	\$39,798,419	(\$2,425,695)



Note: comparison to estimate based on prior Board information presentation, "Update on Financing Plan for Construction of a New Building for the Career Training & Conference Center", presented August 31, 2023. Costs include all upfront costs and uses of funds paid from the financing amount that result in net proceeds, including original issue discount, costs of issuance, underwriter's discount, reserve (cash funded or surety), capitalized interest, and bond insurance. Debt service reflects net debt service after application of reserve and/or capitalized interest.

Agenda

- ✓ Review of Financing Plan
- ✓ Challenges and Strategies Leading Up To Sale
- ✓ Sale Process and Results

◆ In Summary

- ◆ For Reference
 - ▶ Detailed costs of issuance
 - ▶ Presentation dated August 31, 2023



In Summary

- ◆ Positive operating performance and good financial management policies and practices → “A+” rating from S&P
 - ▶ An upgrade from 2008 COPs
- ◆ Financial strength of SCSOS and commitment to spend cash on-hand concurrently with financing proceeds for construction of new building → BAM insurance
 - ▶ SCSOS became the first issuer in California to obtain BAM insurance with construction risk of collateral
- ◆ Both the “A+” rating and bond insurance were instrumental in the ability to sell COPs competitively
 - ▶ More competition → better results for SCSOS
- ✓ *Less debt was issued with less cost and lower debt service than estimated to generate the funds for the construction project*

Any Questions?



Agenda

- ✓ Review of Financing Plan
- ✓ Challenges and Strategies Leading Up To Sale
- ✓ Sale Process and Results
- ✓ In Summary

◆ For Reference

- ▶ Detailed costs of issuance
- ▶ Presentation dated August 31, 2023



Detailed Costs of Issuance

Sutter County Board of Education 2023 Certificates of Participation

Final Costs of Issuance

Description	Total Costs
• Parker & Covert LLP, Special Counsel Special Counsel Services and Expenses:	\$22,800.00
• Lozano Smith LLP, Disclosure Counsel Special Counsel Services and Expenses:	\$22,800.00
• Government Financial Services Joint Powers Authority, Public Finance Consultant Planning Services and Expenses:	\$9,500.00
Financing Services and Expenses:	\$75,000.00
• Standard & Poor's Ratings Services, Rating Agency Professional Services:	\$24,000.00
• Other Issuance Expenses (break out listed below)	
BNY Mellon Trust Company, N.A., Trustee	
Acceptance Fee:	\$1,000.00
First Year's Annual Administration Fee:	\$1,500.00
Legal Counsel Fee:	\$1,500.00
Stewart Title Company: Title Insurance	\$15,347.00
Public Property Financing Corporation of California: Non-Profit Corporation	\$4,500.00
Parker & Covert LLP, Corporation Counsel	\$2,000.00
California Municipal Statistics: Disclosure Data Provider	\$1,725.00
AVIA Communications, Inc.: OS Printing and Distribution	\$1,943.79
AMTEC: Arbitrage Yield Verification	\$250.00
Contingency / Other	\$7,542.62
COSTS OF ISSUANCE	\$191,408.41

Sutter County Superintendent of Schools

Update on Financing Plan for Construction of a New Building for the Career Training & Conference Center



SUTTER COUNTY SUPERINTENDENT OF SCHOOLS
Tom Reusser, Superintendent



**Government
Financial Services**

Joint Powers Authority

August 31, 2023
Presented by Lori Raineri

Agenda

- ◆ Paying for Construction
- ◆ Financing Plan
- ◆ Financing Process
- ◆ Next Steps
- ◆ For Reference
 - ▶ Detailed costs of issuance
 - ▶ Presentation dated August 10, 2022



Career Training & Conference Center



◆ The center is expected to house many programs including:

- ▶ Sutter County 1 STOP
- ▶ Sutter County Adult Education offices
- ▶ Tri-County Regional Occupation Program offices
- ▶ Sutter County Education Services - Curriculum, Instruction & Accountability
- ▶ North Central Adult Education Consortium offices
- ▶ Program classrooms and conference rooms
- ▶ Community Conference Room

◆ Occupancy planned to start by FY 2026-27.

Update on Paying for Construction

◆ The new building can be paid from:

▶ Cash contribution

Preliminary Cash Contribution Plan	
<i><u>Funding Source</u></i>	<i><u>Cash Contribution</u></i>
Property Sales:	\$2,000,000
Capital Outlay Reserve:	\$7,000,000
Total:	<u>\$9,000,000</u>

▶ Financing the remaining cost

Preliminary Construction Funding Plan	
<i><u>Funding Source</u></i>	<i><u>Contribution</u></i>
Cash Contribution:	\$9,000,000
Financing Proceeds:	\$16,097,549
Total:	<u>\$25,097,549</u>

Note: total construction cost estimate as of July 28, 2023 and financing amount subject to change as costs are finalized. Capital outlay reserve (Fund 40) has estimated fund balance of \$8.2 million including funds from property sales, per FY 2023-24 Budget, with the full \$9.0 million now available.

Agenda

✓ Paying for Construction

◆ Financing Plan

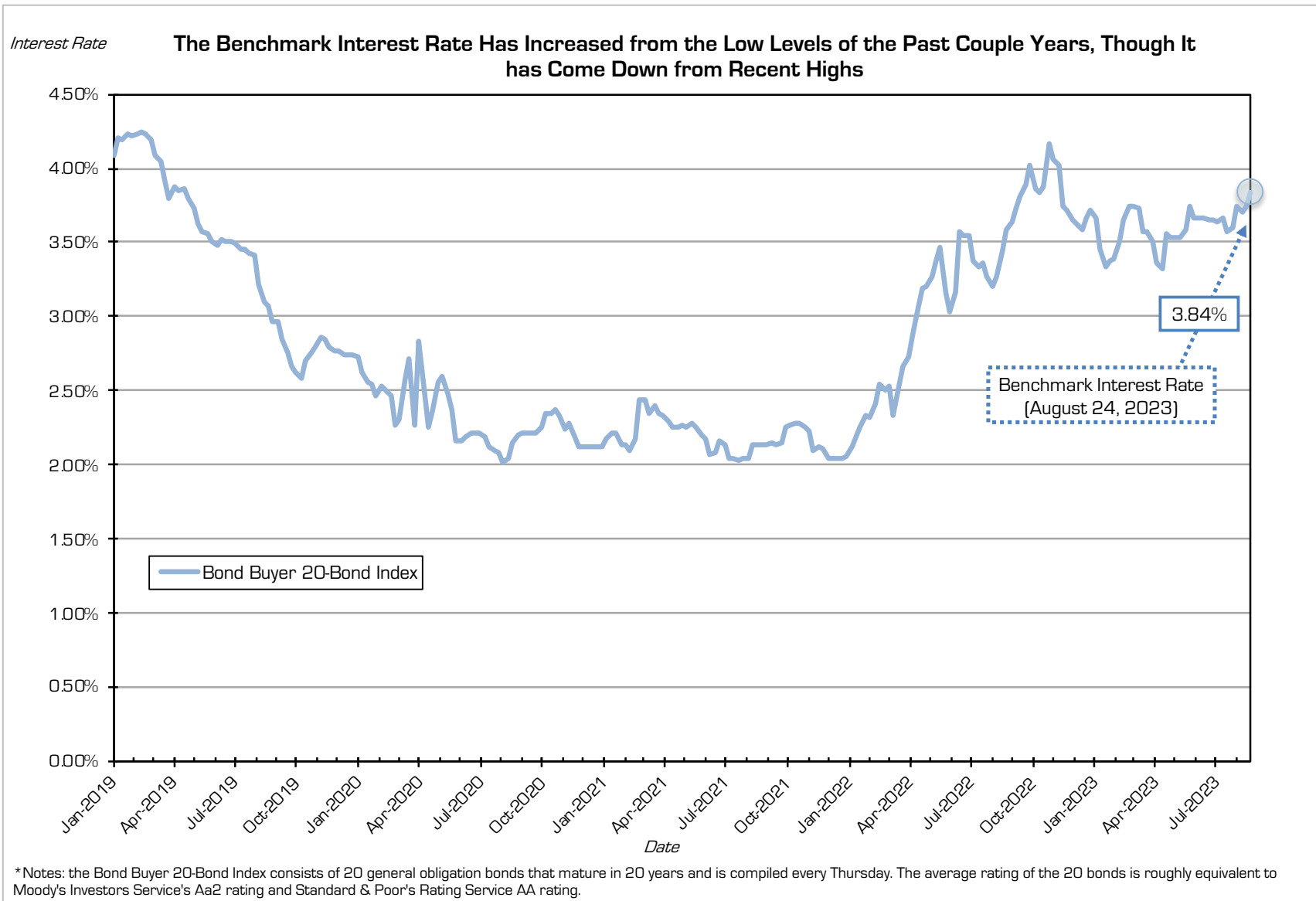
◆ Financing Process

◆ Next Steps

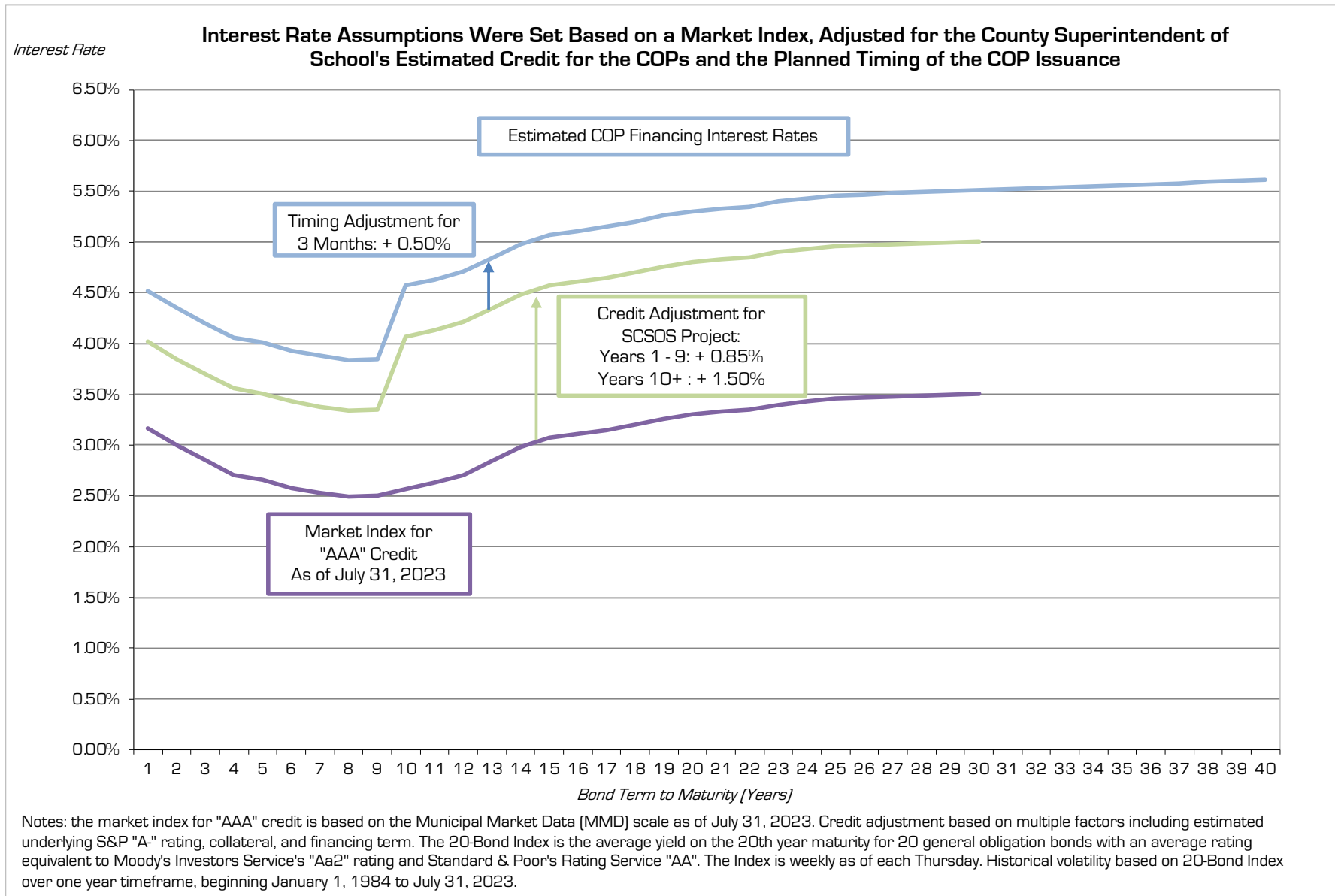
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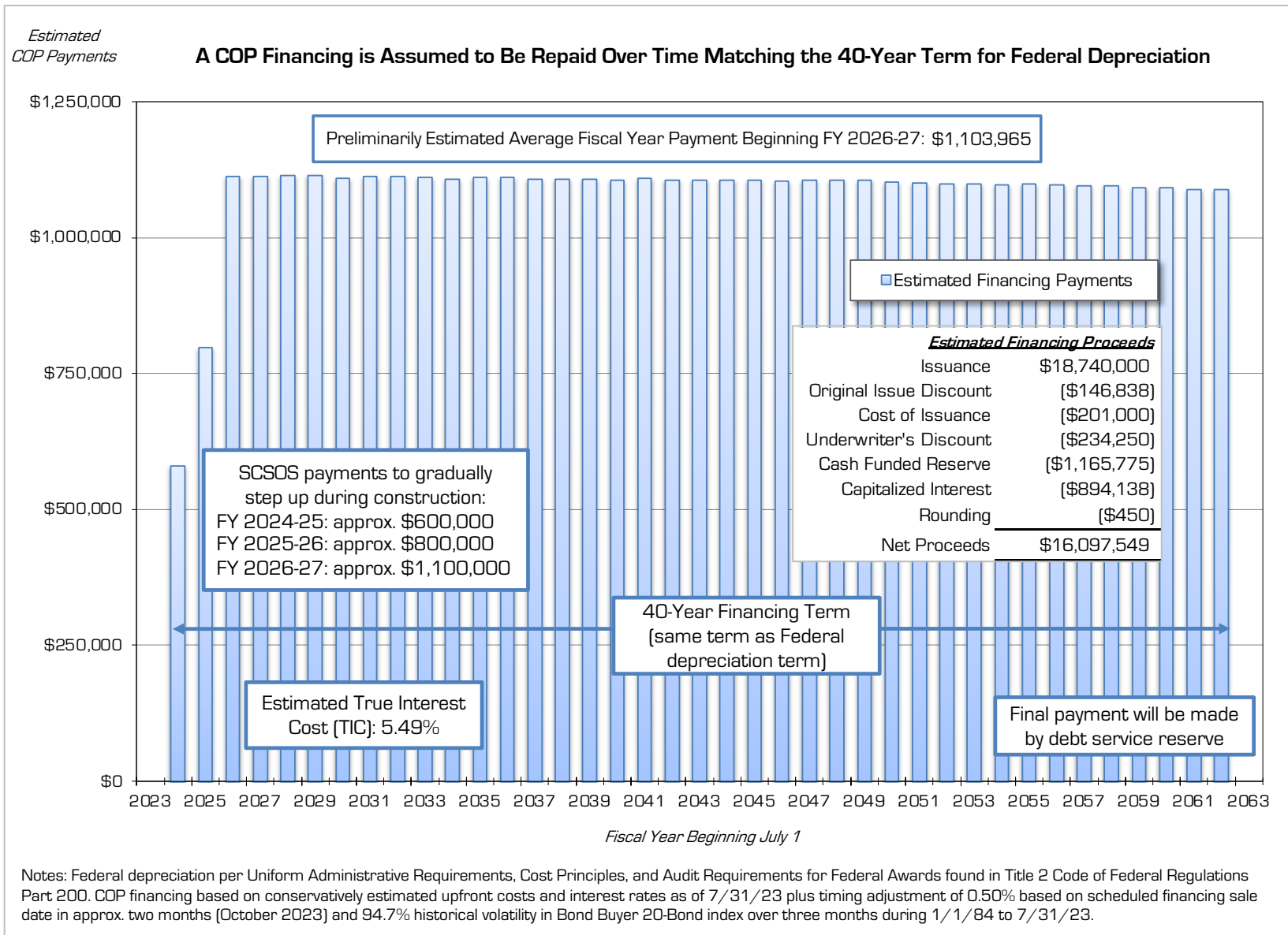
Interest Rates Remain Elevated



Even Higher Interest Rates Assumed



Estimated Financing Payments



Repaying the Financing

- ◆ This financing can be repaid by:
 - ▶ First, cancelling lease agreements for rental facilities that house programs that can be moved into the new building:

Potential Facilities Lease Cancellations		
<i><u>Location</u></i>	<i><u>Department</u></i>	<i><u>Current Lease</u></i>
950 Tharp Road #1000	One-Stop	\$110,582
950 Tharp Road #1100	One-Stop	\$103,440
990 Klamath Lane	Adult Ed/CTC/ROP	\$99,909
939 Live Oak Blvd.	Career Training Center	\$127,308
Total:		\$441,239

- ▶ Then, redirecting rent expenses toward financing payments.
 - Estimated to cover approx. 40% of the payments.
 - Benefit grows over time due to avoiding rent increases.

Note: lease amounts per Sutter County Superintendent of Schools.

Repaying the Financing (Continued)

- ◆ The remaining portion of the financing (approx. \$700,000) is preliminarily expected to be repaid by a combination of:
 - ▶ Rental rates charged for the cost of housing One Stop Federal programs in the new building.
 - ▶ Increasing tuition/fees for CTC and One Stop programs.
 - ▶ Expanding CTC programs.
 - ▶ Budgetary savings from staffing attrition.



Note: the Federal programs receive reimbursement through the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found in Title 2 Code of Federal Regulations Part 200.

Agenda

✓ Paying for Construction

✓ Financing Plan

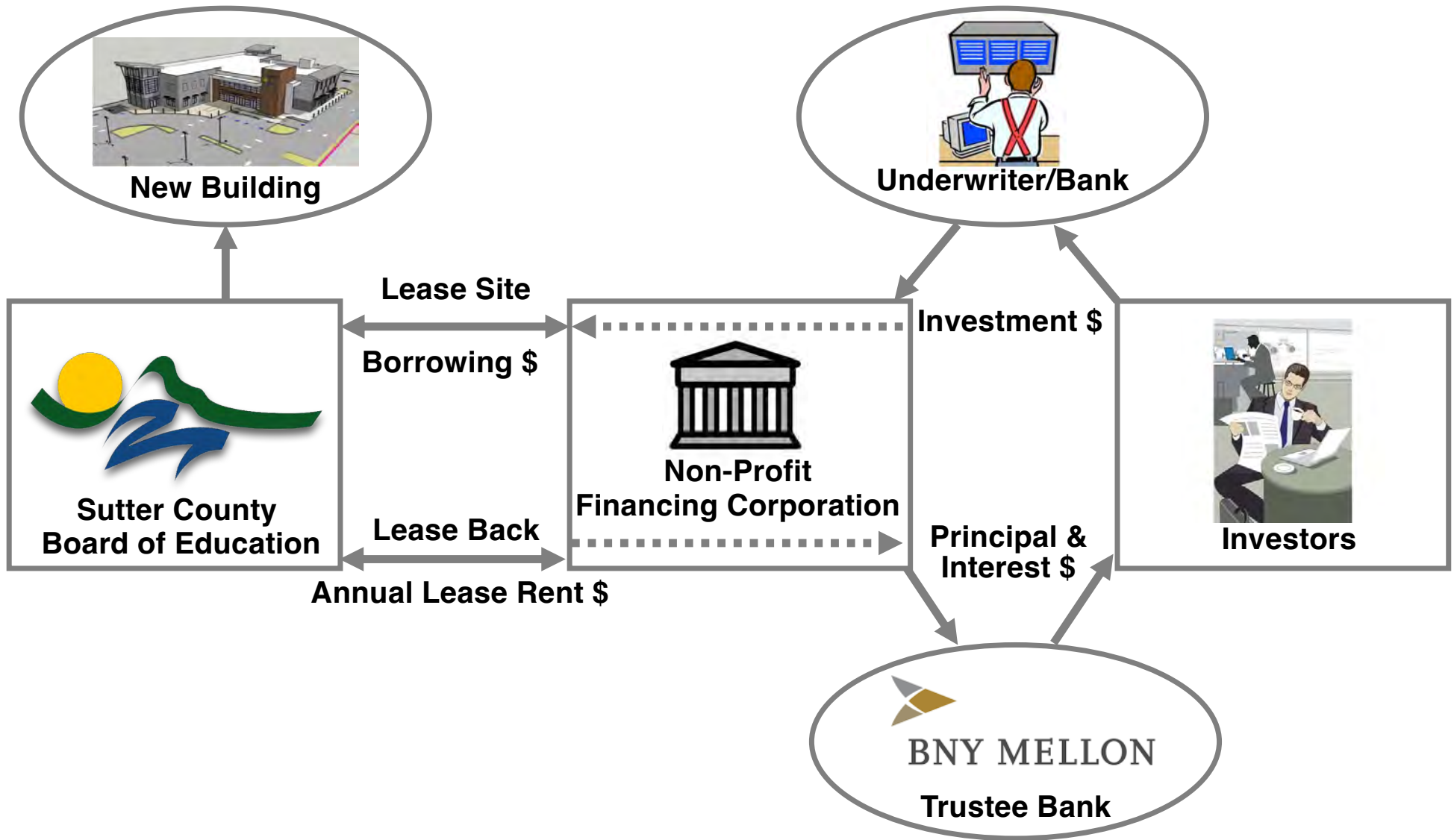
◆ Financing Process

◆ Next Steps

◆ For Reference



Financing Legal Structure: COPs



Note: Trustee Bank selected based on competitive process.

Sites Subject to Lease

- ◆ 3 sites will initially be subject to the lease agreement:
 - ▶ Main Administration (insured value ~\$5 million)
 - ▶ Feather River Academy (insured value ~\$7 million)
 - ▶ New Building
- ◆ The 3 sites will serve as initial collateral for the loan.
 - ▶ Once the new building is completed, one or two sites may be dropped from serving as collateral.
 - ▶ In the event SCSOS defaults on the loan, investors have the option to take possession of the sites to sell or lease.
- ◆ As a practical matter, investors are counting on SCSOS to live up to its obligation in good faith.



COP Sale Methods

- ◆ Competitive Process - auction



- ◆ Negotiated Process - sale to pre-selected underwriter or lender/investor



- ✓ *The Government Finance Officers Association (GFOA) recommends that “bond issuers sell their debt using the method of sale that is most likely to achieve the lowest cost of borrowing while taking into account both short-range and long-range implications for taxpayers and ratepayers.”*

Recommended COP Sale Process

- ◆ Current recommendation: competitive bid process.

- ◆ Based on review of Government Finance Officers Association (GFOA) published best practices.

- ◆ Examples of other county office of education COPs competitively bid (prior 20 years):
 - ▶ Yuba COE 2003 COPs: 4 bids
 - ▶ Yolo COE 2004 COPs: 2 bids
 - ▶ SCSOS 2008 COPs for Shady Creek: 2 bids
 - ▶ Madera CSOS 2011 COPs: 4 bids
 - ▶ Yolo COE 2015 COPs: 3 bids

Sale Dependent on Market Conditions

- ◆ Based on research of current market conditions, the success of a competitive bid process appears dependent on the COPs qualifying for bond insurance.
- ◆ Bond insurance is a type of insurance policy that provides for the repayment of the principal and interest payments to the bondholders in the event of default.
- ◆ Review for qualification is underway by one of the major bond insurance companies, Build America Mutual (BAM).



State Superintendent Review

◆ SCSOS has notified the State Superintendent of Public Instruction's office regarding the financing.



▶ Per Education Code 17150.1(b)

▶ Similar to how school districts notify County Superintendent of Schools of financing under Education Code 17150.1(a)

▶ Notification required to occur at least 30 days before Board considers approval of the financing

- Submitted August 14, 2023

◆ The State Superintendent of Public Instruction's office may comment publicly to the Board regarding the capability of SCSOS to repay the financing.

Agenda

✓ Paying for Construction

✓ Financing Plan

✓ Financing Process

◆ Next Steps

◆ For Reference



Next Steps

- ◆ September 13, 2023: Board will be asked to consider approval of the financing and associated legal documents.
- ◆ September 28, 2023: competitive bid process.
- ◆ October 19, 2023: expected closing and funds available for construction of the new building.
- ◆ November 8, 2023: information presentation to the Board on the financing as finalized.



Agenda

✓ Paying for Construction

✓ Financing Plan

✓ Financing Process

✓ Next Steps

◆ For Reference



For Reference

- ◆ Detailed costs of issuance
- ◆ Presentation dated August 10, 2022

Detailed Costs of Issuance

Description	Total Costs
• Parker & Covert LLP, Special Counsel Special Counsel Services and Expenses:	\$22,800.00
• Lozano Smith LLP, Disclosure Counsel Special Counsel Services and Expenses:	\$22,800.00
• Government Financial Services Joint Powers Authority, Public Finance Consultant Planning Services and Expenses:	\$9,500.00
Financing Services and Expenses:	\$75,000.00
• Standard & Poor's Ratings Services, Rating Agency Professional Services:	\$28,000.00
• Other Issuance Expenses (break out listed below)	
Trustee	
Acceptance Fee:	\$1,000.00
First Year's Annual Administration Fee:	\$1,500.00
Legal Counsel Fee:	\$1,500.00
Costs of Issuance / Good Faith Deposit Administration:	\$500.00
Investment of Cap I and Reserve Fund	\$2,000.00
Stewart Title Company: Title Insurance	\$19,000.00
Public Property Financing Corporation of California: Non-Profit Corporation	\$4,500.00
Parker & Covert LLP, Corporation Counsel	\$2,000.00
California Municipal Statistics: Disclosure Data Provider	\$1,725.00
AVIA Communications, Inc.: OS Printing and Distribution	\$1,900.00
AMTEC: Arbitrage Yield Verification	\$300.00
Contingency / Other	\$6,975.00
COSTS OF ISSUANCE	\$201,000.00

Note: costs based on fee quotes or estimates as of 8/22/2023.

Sutter County Superintendent of Schools

Financing Plan for Construction of the Harter Building to House SCSOS Departments and Programs



SUTTER COUNTY SUPERINTENDENT OF SCHOOLS
Tom Reusser, Superintendent



Government
Financial
Strategies

Presented by Lori Raineri
August 10, 2022

Agenda

- ◆ Paying for Construction of the Harter Building
- ◆ Financing Plan
- ◆ Preview of Financing Process
- ◆ Next Steps

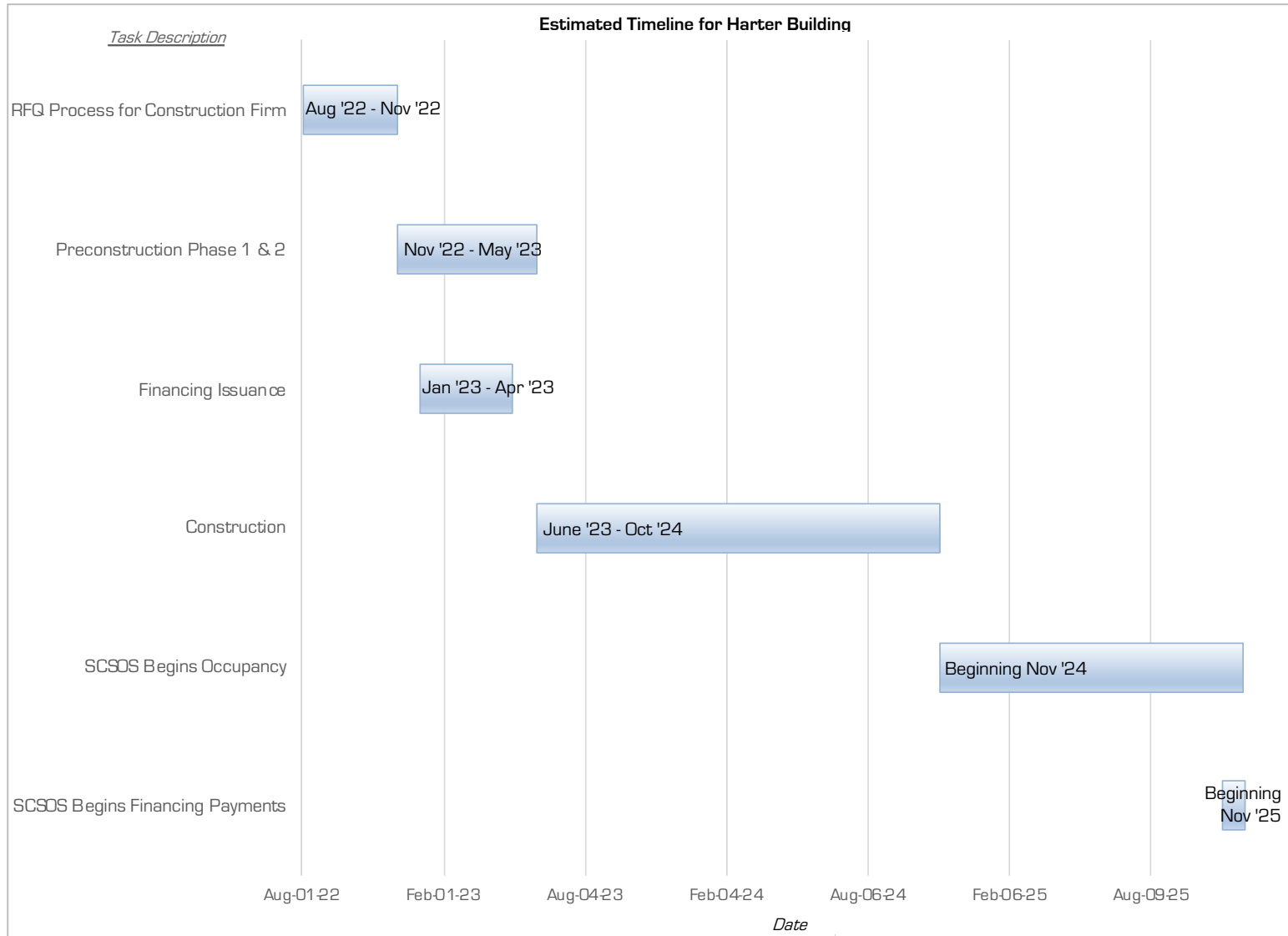


Potential Harter Building



Note: picture from Conceptual Programming Study, Harrington Design Associates, February 1, 2022.

Estimated Timeline



Paying for Construction

◆ The Harter Building can be paid from:

- ▶ Cash contribution from recent property sales:
 - Building 300
 - Parking Lot
 - Sierra Building
- ▶ Cash contribution from the Special Reserve Fund for Capital Outlay
- ▶ General Fund Reserve
- ▶ Financing the remaining cost

Preliminary Cash Contribution Plan	
<i><u>Funding Source</u></i>	<i><u>Cash Contribution</u></i>
Property Sales:	\$2,000,000
Capital Outlay Reserve:	\$5,600,000
General Fund Reserve:	\$400,000
Total:	<u>\$8,000,000</u>

Preliminary Construction Funding Plan	
<i><u>Funding Source</u></i>	<i><u>Contribution</u></i>
Cash Contribution:	\$8,000,000
Financing Proceeds:	\$9,500,000
Total:	<u>\$17,500,000</u>

Note capital outlay reserve (Fund 40) has estimated ending fund balance of \$7.6 million for FY 2022-23 including funds from property sales, per FY 2022-23 Budget.

Agenda

✓ Paying for Construction of the Harter Building

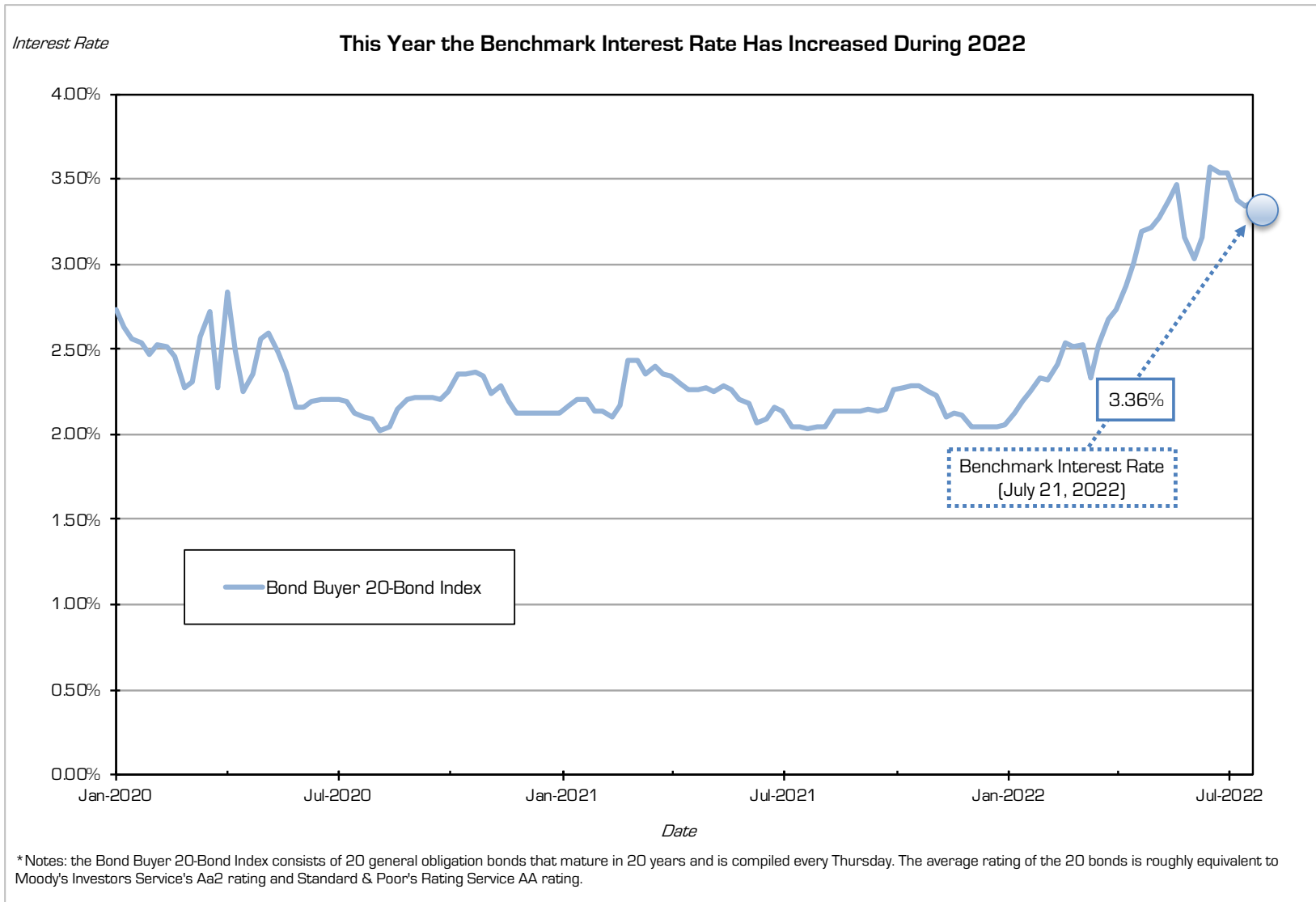
◆ Financing Plan

◆ Preview of Financing Process

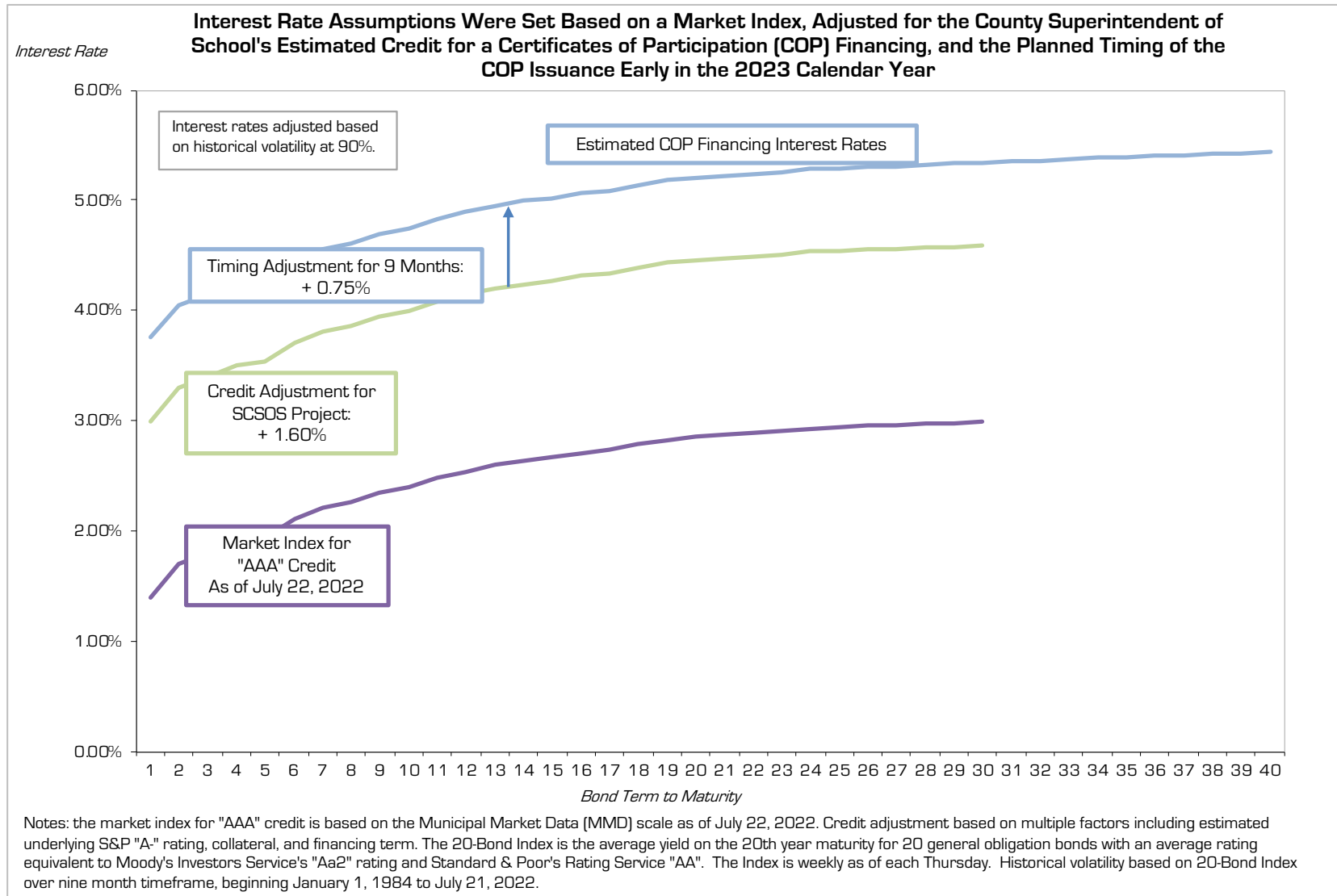
◆ Next Steps



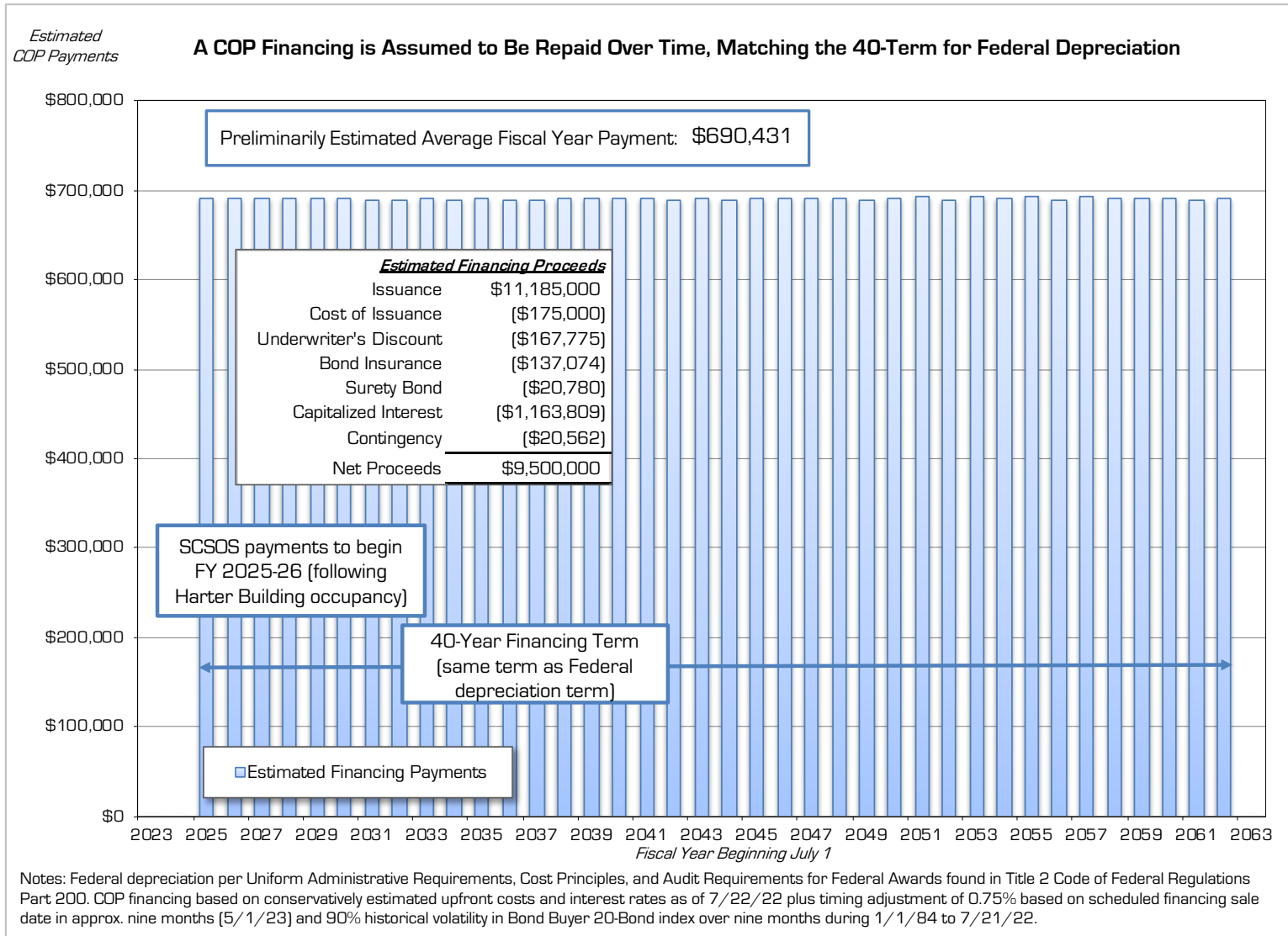
Financing Cost On the Rise



Even Higher Interest Rates Assumed



Estimated Financing Payments



Repaying this Financing

- ◆ This financing can be repaid by:
 - ▶ First, cancelling lease agreements for rental facilities that house programs that can be moved into the Harter Building:

Potential Facilities Lease Cancellations		
<i><u>Location</u></i>	<i><u>Department</u></i>	<i><u>Current Lease</u></i>
950 Tharp Road #1000	One-Stop	\$110,582
950 Tharp Road #1100	One-Stop	\$103,440
990 Klamath Lane	Adult Ed/CTC/ROP	\$99,909
939 Live Oak Blvd.	Career Training Center	\$127,308
	Total:	\$441,239

- ▶ Then, redirecting rent expenses toward financing payments.
 - Estimated to cover 64% of the payments initially.
 - Benefit grows over time due to avoiding rent increases.

Note: lease amounts per Sutter County Superintendent of Schools.

Repaying a Financing (Continued)

- ◆ The remaining portion of the financing (approx. \$250,000) is preliminarily expected to be repaid by a combination of:
 - ▶ Increasing rental rates charged for the cost of housing One Stop Federal programs in the Harter Building:
 - WorkAbility
 - Workforce Innovation and Opportunity Act (WIOA)
 - ▶ Adding building depreciation to M&O allocations charged to departments.
 - ▶ Increasing tuition/fees for CTC programs.
 - ▶ Expanding CTC programs:
 - Cosmetology
 - Dental Assistant and/or Vocational Nursing



Note: the Federal programs receive reimbursement through the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found in Title 2 Code of Federal Regulations Part 200.

Agenda

✓ Paying for Construction of the Harter Building

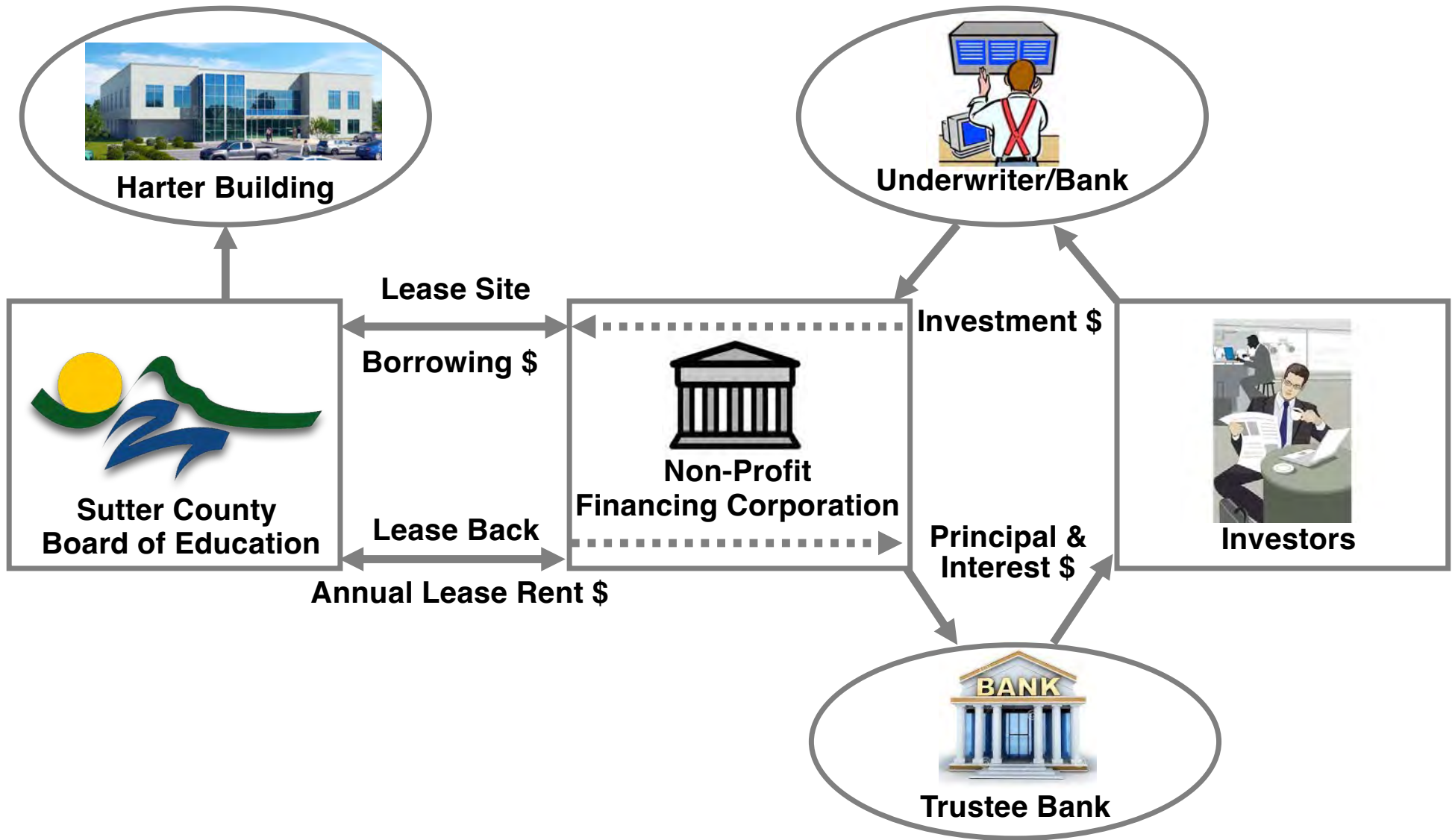
✓ Financing Plan

◆ Preview of Financing Process

◆ Next Steps



Financing Legal Structure: COPs



Sites Subject to Lease

- ◆ 3 sites will initially be subject to the lease agreement:
 - ▶ Main Administration (insured value ~\$4 million)
 - ▶ Feather River Academy (insured value ~\$6 million)
 - ▶ New Building
- ◆ The 3 sites will serve as initial collateral for the loan.
 - ▶ Once the new building is completed, one or two sites may be dropped from serving as collateral.
 - ▶ In the event SCSOS defaults on the loan, investors have the option to take possession of the sites to sell or lease.
- ◆ As a practical matter, investors are counting on SCSOS to live up to its obligation in good faith.



COP Sale Methods

- ◆ Competitive Process - auction



- ◆ Negotiated Process - sale to pre-selected underwriter or lender/investor



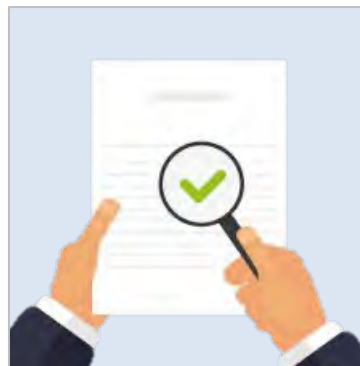
The Government Finance Officers Association (GFOA) recommends that "bond issuers sell their debt using the method of sale that is most likely to achieve the lowest cost of borrowing while taking into account both short-range and long-range implications for taxpayers and ratepayers."

Recommended COP Sale Process

- ◆ Current recommendation: competitive bid process.
- ◆ Based on review of Government Finance Officers Association (GFOA) published best practices.
- ◆ Based on our history with competitive bids (prior 20 years):
 - ▶ Sacramento COE 2002 COPs: 5 bids
 - ▶ Yuba COE 2003 COPs: 4 bids
 - ▶ Yolo COE 2004 COPs: 2 bids
 - ▶ SCSOS 2008 COPs for Shady Creek: 2 bids
 - ▶ Madera CSOS 2011 COPs: 4 bids
 - ▶ Yolo COE 2015 COPs: 3 bids
- ◆ Recommendation may be updated based on market conditions at the time of the COP sale.

COP Legal Documents

- ◆ A Board Resolution and legal documents associated with the financing are expected to be drafted and provided to the Board for consideration of approval early in the 2023 calendar year.
- ◆ Additional information on the legal documents and an update on market conditions are also planned for the Board's review early in the 2023 calendar year.



State Superintendent Review

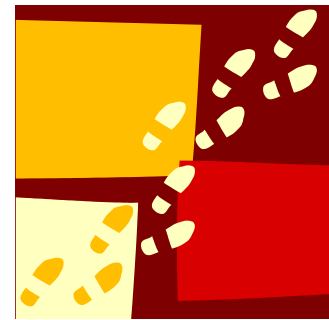
- ◆ SCSOS must notify the State Superintendent of Public Instruction's office regarding the financing.
 - ▶ Per Education Code 17150.1(b)
 - ▶ Notification required to occur at least 30 days before Board considers approval
 - ▶ Similar to how school districts notify County Superintendent of Schools of financing under Education Code 17150.1(a)
- ◆ The Superintendent's office may comment publicly to the Board regarding the capability of SCSOS to repay the financing.



Note: we assist in preparation of a debt notification report on behalf of SCSOS for the State Superintendent of Public Instruction's office, similar to debt review reports we prepare when reviewing the proposed debt of school districts submitted for review to SCSOS.

Next Steps

- ◆ Tonight: information on preliminary financing plan.
- ◆ January 2023: planned information presentation update to the Board of Education.
- ◆ February 2023: Board asked to consider of approval of the financing and associated legal documents.
- ◆ April 2023: financing process completed and funds available for construction of the Harter Building.



BOARD AGENDA ITEM: Investment Statements

BOARD MEETING DATE: November 8, 2023

AGENDA ITEM SUBMITTED FOR:

Action

Reports/Presentation

Information

Public Hearing

Other (specify)

PREPARED BY:

Ron Sherrod

SUBMITTED BY:

Ron Sherrod

PRESENTING TO BOARD:

Ron Sherrod

BACKGROUND AND SUMMARY INFORMATION:

The Investment Statement as of August 31, 2023 from the County Treasurer will be presented.

Nicholas F. Valencia
Treasurer-Tax Collector



Christina N. Hernandez
Assistant Treasurer-Tax Collector

September 30, 2023

To: Sutter County Board of Supervisors

Re: Sutter County Investment Portfolio Report for August 31, 2023

Following is the Sutter County Investment Portfolio report as of August 31, 2023. The schedule includes all short-term, mid-term and long-term investments held at the conclusion of business on the final day of the month. The Sutter County Treasurer and Tax Collector is given authority over the pooled investment portfolio through Board delegation pursuant to Government Code §27000.1. Investment activities of the pooled treasury are governed by Government Code §53601 as incorporated in the Sutter County Investment Policy. Investment of the county's, school districts' and special districts' surplus funds start with the objective of safety of the principle to minimize possibility losses. Following safety is the liquidity objective to provide coverage of day-to-day operations and to meet contingency as they arise. The final objective is earning a reasonable return or yield on the funds invested. The Sutter County Investment Policy may be found on the Treasurer's webpage at:

<https://www.suttercounty.org/home/showpublisheddocument/6528/638160719594670000>

As Treasurer and Tax Collector, I certify that this document reflects the government agencies' pooled investments and that all investments are in compliance with the County of Sutter Investment Policy.

The combined cash and investments in the county treasury total \$400,178,235.73 and will provide sufficient cash flow liquidity to meet estimated pooled treasury expenditures for the next six months.

Invested treasury funds total \$393,556,295.26 with \$47,384,653.37 under the management of the Local Agency Investment Fund, California Asset Management Program, CalTRUST, and Money Market Mutual Funds with Five Star Bank. The Bank of New York, which provides third-party safekeeping services to Sutter County, provides market value data. The dollar-weighted average maturity of invested funds is 775 days.

Investments are selected based on criteria contained in the Sutter County Investment Policy, which emphasizes safety, liquidity, yield, and diversification. Therefore, the interest rates will fluctuate, and the types of investments will vary depending upon county needs and market availability on a particular day.

Respectfully submitted,

A handwritten signature in blue ink that reads "Nicholas Valencia".

Nicholas F. Valencia
Treasurer-Tax Collector

**SUTTER COUNTY
INVESTMENT PORTFOLIO
August 31, 2023**



TREASURY	NUMBER	INSTITUTION/BRANCH	CUSIP	BOOK VALUE	MARKET VALUE	PAR VALUE	DATE	DATE	MATURES	INVESTED	TOTAL DAYS	CURRENT YIELD	RATE
MANAGED FUNDS	2023-00A	CAMP	0	36,324,061.49	36,324,061.49	36,324,061.49	N/A	N/A	N/A	N/A	N/A	5.52000%	5.52000%
	2023-00B	LAIF-STATE POOL/SAC	0	56,417.73	56,417.73	56,417.73	N/A	N/A	N/A	N/A	N/A	3.37000%	3.37000%
	2023-00C	LAIF-STATE POOL/SAC (Cemetery)	0	3,796,575.56	3,796,575.56	3,796,575.56	N/A	N/A	N/A	N/A	N/A	3.37000%	3.37000%
	2023-00D	FIVE STAR BANK MONEY MARKET	0	5,074,565.47	5,074,565.47	5,074,565.47	N/A	N/A	N/A	N/A	N/A	3.30500%	3.30500%
	2023-00E	CALTRUST	0	2,133,033.12	2,133,033.12	2,133,033.12	N/A	N/A	N/A	N/A	N/A	5.44000%	5.44000%
		TOTAL MANAGED FUNDS		47,384,653.37	47,384,653.37	47,384,653.37							
AGENCIES NOTES	20218	FREDDIE MAC (FHLMC)	3134GXJH8	4,000,000.00	3,983,520.00	4,000,000.00	12/29/20	09/29/23		1,004		0.22000%	0.22000%
	20208	FEDERAL FARM CREDIT BANK (FFCB)	3133EMHL9	1,999,971.98	1,973,860.00	2,000,000.00	12/03/20	11/30/23		1,092		0.31000%	0.31000%
	20210	FANNIE MAE (FNMA)	3135GAGJ5	2,000,000.00	1,972,080.00	2,000,000.00	12/07/20	12/07/23		1,085		0.32000%	0.32000%
	2020-169	FEDERAL FARM CREDIT BANK (FFCB)	3133EMBE1	1,999,786.67	1,941,320.00	2,000,000.00	09/30/20	03/28/24		1,275		0.31000%	0.30000%
	20196	FEDERAL FARM CREDIT BANK (FFCB)	3133EMGF3	1,999,622.94	1,928,280.00	2,000,000.00	11/16/20	05/16/24		1,277		0.36000%	0.35000%
	22047	FREDDIE MAC (FHLMC)	3134GXWD2	2,000,000.00	1,956,960.00	2,000,000.00	06/21/22	06/21/24		731		2.91000%	2.85000%
	20224	FANNIE MAE (FNMA)	3135GAC25	4,000,000.00	3,839,800.00	4,000,000.00	12/24/20	06/24/24		1,278		0.32000%	0.31000%
	20221	FREDDIE MAC (FHLMC)	3134GXJJ4	4,000,000.00	3,833,120.00	4,000,000.00	12/28/20	06/28/24		1,278		0.33000%	0.32000%
	22121	FREDDIE MAC (FHLMC)	3134GY2M3	5,000,000.00	4,969,950.00	5,000,000.00	11/28/22	08/28/24		639		5.03000%	5.00000%
	21089	FEDERAL HOME LOAN BANK (FHLB)	3130ANTP5	2,000,000.00	1,900,080.00	2,000,000.00	09/16/21	09/16/24		1,086		0.53000%	0.50000%
	20222	FREDDIE MAC (FHLMC)	3134GXJK1	4,000,000.00	3,788,200.00	4,000,000.00	12/30/20	09/30/24		1,370		0.38000%	0.36000%
	21113	FEDERAL HOME LOAN BANK (FHLB)	3130APQJ0	2,000,000.00	1,896,000.00	2,000,000.00	11/18/21	11/18/24		1,086		1.05000%	1.00000%
	2020-110	FEDERAL HOME LOAN BANK (FHLB)	3130AJ57	1,000,000.00	937,560.00	1,000,000.00	07/08/20	01/08/25		1,645		0.69000%	0.65000%
	21112	FEDERAL HOME LOAN BANK (FHLB)	3130APRD9	2,000,000.00	1,863,840.00	2,000,000.00	11/16/21	05/16/25		1,277		1.11000%	1.03000%
	2020-123	FANNIE MAE (FNMA)	3136G4ZR7	4,000,000.00	3,679,400.00	4,000,000.00	07/12/20	07/21/25		1,826		0.76000%	0.70000%
	22029	FEDERAL HOME LOAN BANK (FHLB)	3130ARRX1	5,000,000.00	4,875,300.00	5,000,000.00	04/25/22	07/25/25		1,187		3.99000%	3.50000%
	2020-185	FANNIE MAE (FNMA)	3136G46K4	4,000,000.00	3,662,680.00	4,000,000.00	10/28/20	07/28/25		1,734		0.55000%	0.50000%
	2020-136	FANNIE MAE (FNMA)	3136G4D75	4,000,000.00	3,669,480.00	4,000,000.00	07/30/20	07/29/25		1,825		0.65000%	0.60000%
	2020-134	FANNIE MAE (FNMA)	3136G4G31	4,000,000.00	3,672,800.00	4,000,000.00	07/30/20	07/30/25		1,826		0.71000%	0.65000%
	2020-140	FANNIE MAE (FNMA)	3136G4G98	2,000,000.00	1,831,380.00	2,000,000.00	08/12/20	08/12/25		1,826		0.61000%	0.56000%
	2020-141	FREDDIE MAC (FHLMC)	3134GWWK19	2,000,000.00	1,832,840.00	2,000,000.00	08/12/20	08/12/25		1,826		0.65000%	0.60000%
	2020-137	FANNIE MAE (FNMA)	3136G4C43	4,000,000.00	3,668,640.00	4,000,000.00	08/14/20	08/14/25		1,826		0.71000%	0.65000%
	2020-149	FANNIE MAE (FNMA)	3136G4H71	1,999,829.13	1,896,520.00	2,000,000.00	08/18/20	08/18/25		1,826		0.54000%	0.50000%
	2020-150	FANNIE MAE (FNMA)	3136G4N74	2,000,000.00	1,829,800.00	2,000,000.00	08/21/20	08/21/25		1,826		0.61000%	0.56000%
	2020-159	FEDERAL FARM CREDIT BANK (FFCB)	3133EL4W1	3,998,266.52	3,662,040.00	4,000,000.00	09/04/20	08/25/25		1,816		0.67000%	0.61000%
	20228	FANNIE MAE (FNMA)	3135G05X7	1,998,293.06	1,828,060.00	2,000,000.00	12/24/20	08/25/25		1,705		0.41000%	0.37500%
	21082	FEDERAL HOME LOAN BANK (FHLB)	3130ANPE4	4,000,000.00	3,668,400.00	4,000,000.00	08/26/21	08/26/25		1,461		0.76000%	0.70000%
	2020-155	FANNIE MAE (FNMA)	3136G4X32	2,000,000.00	1,830,480.00	2,000,000.00	08/26/20	08/26/25		1,826		0.66000%	0.60000%
	2020-161	FREDDIE MAC (FHLMC)	3134GWP75	2,000,000.00	1,826,340.00	2,000,000.00	09/23/20	09/23/25		1,826		0.68000%	0.62500%
	2020-168	FREDDIE MAC (FHLMC)	3134GWW51	2,000,000.00	1,820,160.00	2,000,000.00	09/30/20	09/30/25		1,826		0.55000%	0.50000%
	2020-180	FANNIE MAE (FNMA)	3135G06B4	2,000,000.00	1,818,960.00	2,000,000.00	10/22/25	10/22/25		1,826		0.62000%	0.56000%
	2020-179	FREDDIE MAC (FHLMC)	3134GWW4Z5	4,000,000.00	3,634,160.00	4,000,000.00	10/27/20	10/27/25		1,826		0.59000%	0.54000%
	20190	FANNIE MAE (FNMA)	3136G46N8	4,000,000.00	3,638,200.00	4,000,000.00	11/02/20	10/29/25		1,822		0.66000%	0.60000%
	20197	FREDDIE MAC (FHLMC)	3134GXCH5	4,000,000.00	3,632,560.00	4,000,000.00	11/25/20	11/25/25		1,826		0.66000%	0.60000%
	20198	FREDDIE MAC (FHLMC)	3134GXCS1	4,000,000.00	3,634,640.00	4,000,000.00	11/25/20	11/25/25		1,826		0.69000%	0.62500%
	21118	FEDERAL FARM CREDIT BANK (FFCB)	3133EMFR6	4,250,000.00	3,915,652.50	4,250,000.00	12/01/21	12/01/25		1,461		1.45000%	1.34000%
	20204	FEDERAL FARM CREDIT BANK (FFCB)	3133EMJCT	4,000,000.00	3,620,120.00	4,000,000.00	12/01/20	12/01/25		1,826		0.62000%	0.56000%
	20201	FREDDIE MAC (FHLMC)	3134GXDM3	4,000,000.00	3,625,160.00	4,000,000.00	12/01/25	12/01/25		1,826		0.68000%	0.62000%
	20219	FEDERAL HOME LOAN BANK (FHLB)	3130AKJRB	4,000,000.00	3,615,200.00	4,000,000.00	12/16/20	12/16/25		1,826		0.63000%	0.57000%
	20217	FEDERAL FARM CREDIT BANK (FFCB)	3133EMKT8	4,000,000.00	3,612,240.00	4,000,000.00	12/17/20	12/17/25		1,826		0.60000%	0.54000%
	20212	FANNIE MAE (FNMA)	3135G06K4	2,000,000.00	1,810,820.00	2,000,000.00	12/17/20	12/17/25		1,826		0.72000%	0.65000%
	20227	FEDERAL FARM CREDIT BANK (FFCB)	3133EMLR1	4,000,000.00	3,654,400.00	4,000,000.00	12/24/20	12/23/25		1,825		0.55000%	0.50000%
	20231	FANNIE MAE (FNMA)	3135G06Q1	6,006,006.57	5,424,240.00	6,000,000.00	12/30/20	12/30/25		1,826		0.71000%	0.64000%

**SUTTER COUNTY
INVESTMENT PORTFOLIO
August 31, 2023**



TREASURY	NUMBER	INSTITUTION/BRANCH	CUSIP	BOOK VALUE	MARKET VALUE	PAR VALUE	INVESTED DATE	MATURES DATE	TOTAL DAYS INVESTED	SUKKENI	
										YIELD	RATE
	22004	FEDERAL FARM CREDIT BANK (FCB)	3133ENLD0	4,000,000.00	3,687,120.00	4,000,000.00	01/26/22	01/26/26	1,461	1.86000%	1.53000%
	23016	FREDDIE MAC (FHLMC)	3134GYFR8	3,000,000.00	2,964,660.00	3,000,000.00	02/17/23	02/17/26	1,096	5.21000%	5.15000%
	23025	FEDERAL HOME LOAN BANK (FHLB)	3130AUSP0	5,000,000.00	4,934,150.00	5,000,000.00	02/08/23	05/08/26	1,185	5.07000%	5.00000%
	21050	FEDERAL HOME LOAN BANK (FHLB)	3130AMKB7	4,000,000.00	3,610,720.00	4,000,000.00	05/26/21	05/26/26	1,826	1.16000%	1.05000%
	21052	FEDERAL HOME LOAN BANK (FHLB)	3130AMMQ2	3,000,000.00	2,693,340.00	3,000,000.00	06/08/21	06/08/26	1,826	1.01000%	0.91000%
	21054	FEDERAL HOME LOAN BANK (FHLB)	3130AMPJ5	2,000,000.00	1,796,440.00	2,000,000.00	06/16/21	06/16/26	1,826	1.06000%	0.95000%
	2112921132	FEDERAL FARM CREDIT BANK (FCB)	3133ENHW5	4,000,000.00	3,636,400.00	4,000,000.00	12/22/21	06/22/26	1,824	1.53000%	1.39000%
	21066	FEDERAL HOME LOAN BANK (FHLB)	3130AMT28	2,000,000.00	1,797,120.00	2,000,000.00	06/30/21	06/30/26	1,826	1.11000%	1.00000%
	21085	FEDERAL FARM CREDIT BANK (FCB)	3133ENM37	3,998,095.84	3,557,280.00	4,000,000.00	09/01/21	09/01/26	1,826	0.98000%	0.87000%
	21090	FEDERAL HOME LOAN BANK (FHLB)	3130ANRR3	4,000,000.00	3,566,400.00	4,000,000.00	09/17/21	09/17/26	1,826	1.12000%	1.00000%
	21127	FEDERAL HOME LOAN BANK (FHLB)	3130APVC6	3,648,740.34	3,283,029.00	3,650,000.00	12/16/21	12/01/26	1,811	1.53000%	1.37500%
	21125	FEDERAL FARM CREDIT BANK (FCB)	3133ENHCT	4,000,000.00	3,620,560.00	4,000,000.00	12/16/21	12/14/26	1,824	1.77000%	1.60000%
	21130	FEDERAL FARM CREDIT BANK (FCB)	3133ENJCS	4,000,000.00	3,581,840.00	4,000,000.00	12/22/21	12/22/26	1,826	1.44000%	1.29000%
	21128	FEDERAL HOME LOAN BANK (FHLB)	3130AQDD2	2,500,000.00	2,249,300.00	2,500,000.00	12/30/21	12/30/26	1,826	1.61000%	1.45000%
	21121	FEDERAL HOME LOAN BANK (FHLB)	3130AQSP4	2,000,000.00	1,808,980.00	2,000,000.00	12/30/21	12/30/26	1,826	1.78000%	1.61000%
	22002	FEDERAL FARM CREDIT BANK (FCB)	3133ENKGA	3,984,437.26	3,586,860.00	4,000,000.00	01/12/22	01/11/27	1,825	1.64000%	1.47000%
	22003	FREDDIE MAC (FHLMC)	3134GYHS4	2,000,000.00	3,616,160.00	2,000,000.00	01/28/22	01/28/27	1,826	1.94000%	1.75000%
	22009	FEDERAL HOME LOAN BANK (FHLB)	3130AQWC3	3,990,242.28	1,972,260.00	2,000,000.00	02/23/23	02/23/27	1,461	5.20000%	5.12500%
	22026	FEDERAL HOME LOAN BANK (FHLB)	3130ARRJH	4,000,000.00	3,190,530.00	3,500,000.00	02/28/22	02/24/27	1,822	2.25000%	2.05000%
	22027	FEDERAL HOME LOAN BANK (FHLB)	3130ARRRH	4,000,000.00	3,772,960.00	4,000,000.00	04/22/22	04/22/27	1,826	3.40000%	3.15000%
	22028	FEDERAL HOME LOAN BANK (FHLB)	3130ARP81	4,000,000.00	3,827,240.00	4,000,000.00	04/28/22	04/28/27	1,826	3.40000%	3.25000%
	22049	FREDDIE MAC (FHLMC)	3130ASFQ7	2,000,000.00	3,808,680.00	4,000,000.00	04/28/22	04/28/27	1,826	3.68000%	3.50000%
	23039	FREDDIE MAC (FHLMC)	3134GYG48	3,000,000.00	1,924,740.00	2,000,000.00	06/29/22	06/29/27	1,826	4.16000%	4.00000%
	23013	FEDERAL HOME LOAN BANK (FHLB)	3130AUNN0	3,000,000.00	2,952,090.00	3,000,000.00	02/24/23	08/24/27	1,642	5.23000%	5.15000%
	23014	FREDDIE MAC (FHLMC)	3134GYF31	3,000,000.00	2,945,870.00	3,000,000.00	01/30/23	01/27/28	1,823	5.33000%	5.25000%
	23015	FREDDIE MAC (FHLMC)	3134GYFQ0	3,000,000.00	2,927,610.00	3,000,000.00	02/07/23	02/07/28	1,826	4.87000%	4.75000%
	23032	FREDDIE MAC (FHLMC)	3130AUJUA	5,000,000.00	4,903,550.00	5,000,000.00	02/09/23	02/09/28	1,826	5.10000%	5.00000%
	23026	FREDDIE MAC (FHLMC)	3134GYGR7	3,000,000.00	2,968,680.00	3,000,000.00	02/09/23	02/09/28	1,826	4.95000%	4.90000%
	23038	FEDERAL HOME LOAN BANK (FHLB)	3130AUTL8	2,000,000.00	1,982,460.00	2,000,000.00	02/22/23	02/22/28	1,826	5.09000%	5.05000%
	23040	FREDDIE MAC (FHLMC)	3134GYGU0	4,000,000.00	3,940,200.00	4,000,000.00	02/24/23	02/24/28	1,826	5.38000%	5.30000%
	23042	FEDERAL HOME LOAN BANK (FHLB)	3130AUTV6	2,000,000.00	1,976,340.00	2,000,000.00	02/24/23	02/24/28	1,826	5.57000%	5.50000%
	23044	FEDERAL HOME LOAN BANK (FHLB)	3130AUTF1	2,000,000.00	1,968,900.00	2,000,000.00	02/28/23	02/28/28	1,826	5.33000%	5.25000%
		TOTAL AGENCY NOTES		245,873,292.59	229,621,201.50	245,900,000.00					

MEDIUM TERM NOTES

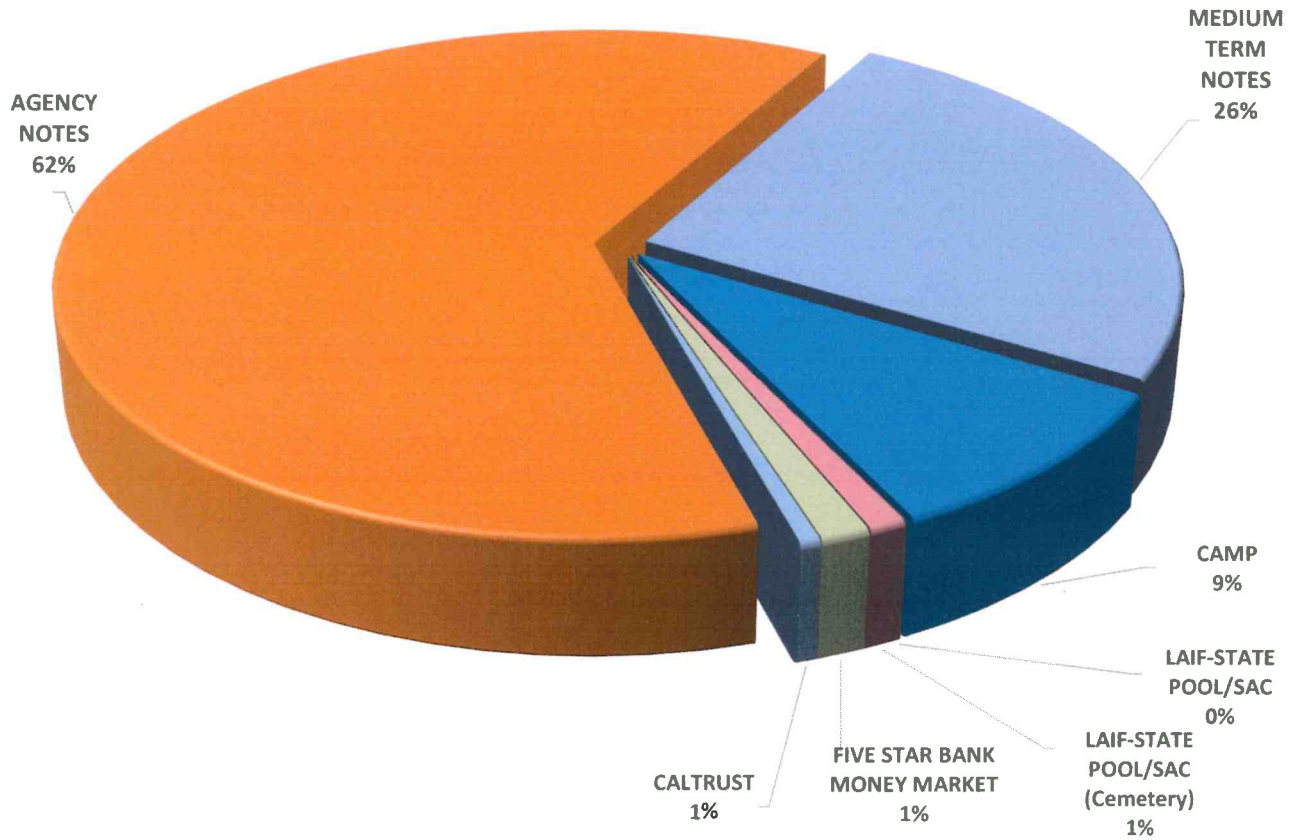
2020-079	TOYOTA MOTOR CREDIT CORP	89236TDK8	2,005,191.30	1,981,700.00	2,000,000.00	05/01/20	10/18/23	1,265	2.26000%	2.25000%
20223	CATERPILLAR FINL SERVICE (CAT)	14912LSX5	2,026,788.80	1,992,700.00	2,000,000.00	12/16/20	11/24/23	1,073	3.76000%	3.75000%
20211	BANK OF AMERICA CORP (BAC)	06048WKS8	4,000,000.00	3,934,920.00	4,000,000.00	12/18/20	12/18/23	1,095	0.56000%	0.55000%
2019-123	SIMON PROP GP LP (SPG)	828807CR6	4,036,629.88	3,963,120.00	4,000,000.00	11/01/19	02/01/24	1,553	3.78000%	3.75000%
2020-080	CATERPILLAR FINL SERVICE (CAT)	14912L6C0	2,039,238.00	1,963,520.00	2,000,000.00	05/01/20	06/09/24	1,500	3.36000%	3.30000%
2019-144	AIR PROD & CHEM (APD)	009158AV8	2,025,698.43	1,959,240.00	2,000,000.00	07/31/24	07/31/24	1,695	3.42000%	3.35000%
2019-150	WALT DISNEY COMPANY (DIS)	254687FK7	1,995,333.45	1,926,920.00	2,000,000.00	12/10/19	08/30/24	1,725	1.82000%	1.75000%
2019-122	UNITED PARCEL SERVICE (UPS)	911312BT2	4,005,723.24	3,874,840.00	4,000,000.00	11/01/19	09/01/24	1,766	2.27000%	2.20000%
21124	TOYOTA MOTOR CREDIT CORP	89236TGL3	4,043,666.41	3,851,400.00	4,000,000.00	12/15/21	10/07/24	1,027	2.08000%	2.00000%
2019-143	ESTEEL LAUDER CO. (EL)	29736RAN0	2,001,567.44	1,918,700.00	2,000,000.00	12/10/19	12/01/24	1,818	2.09000%	2.00000%
2020-093	ORACLE CORP (ORCL)	66389XB11	2,050,415.65	1,903,400.00	2,000,000.00	06/01/20	04/01/25	1,765	2.63000%	2.50000%
2020-075	WELLS FARGO & COMPANY (WFC)	9500TD6W5	2,000,000.00	1,879,640.00	2,000,000.00	04/30/20	04/30/25	1,826	2.86000%	2.50000%
20220	APPLE INC. (AAPL)	037833DT4	2,023,646.42	1,870,020.00	2,000,000.00	12/16/20	05/11/25	1,607	1.20000%	1.12500%
2020-096	HONEYWELL INTERNATIONAL (HON)	438516CB0	2,018,144.95	1,874,280.00	2,000,000.00	06/04/20	06/01/25	1,823	1.44000%	1.35000%
20230	AMERICAN HONDA FINANCE (HND)	02665WDL2	4,039,770.99	3,707,660.00	4,000,000.00	12/28/20	07/08/25	1,653	1.29000%	1.20000%

**SUTTER COUNTY
INVESTMENT PORTFOLIO
August 31, 2023**



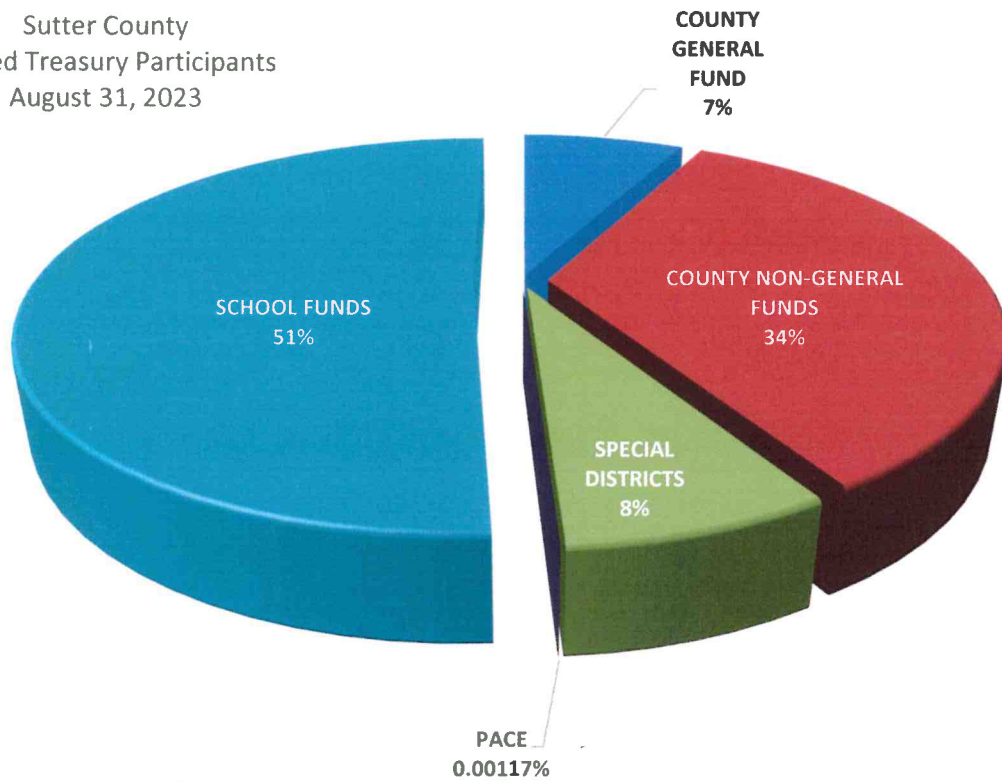
TREASURY NUMBER	INSTITUTION/BRANCH	CUSIP	BOOK VALUE	MARKET VALUE	PAR VALUE	INVESTED DATE	MATURES DATE	TOTAL DAYS INVESTED	SUKKENI	
									YIELD	RATE
2020-153	JP MORGAN CHASE & CO (JPM)	48128GV98	2,000,000.00	1,779,180.00	2,000,000.00	08/28/20	08/28/25	1,826	0.84000%	0.75000%
2020-166/176	AMERICAN HONDA FINANCE (HNDFA)	02665WDN8	7,013,353.81	6,414,240.00	7,000,000.00	09/24/20	09/10/25	1,812	1.09000%	1.00000%
20229	CATERPILLAR FINL SERVICE (CAT)	14913R2H9	4,018,673.85	3,642,800.00	4,000,000.00	12/28/20	11/13/25	1,781	0.88000%	0.80000%
20215	BANK OF AMERICA CORP (BAC)	06048WK41	3,998,058.53	3,574,400.00	4,000,000.00	12/10/20	11/25/25	1,811	0.95000%	0.85000%
20225	JP MORGAN CHASE & CO (JPM)	48128GY63	2,000,000.00	1,768,860.00	2,000,000.00	12/22/20	12/22/25	1,826	0.93000%	0.82500%
21008	JOHN DEERE CAPITAL CORP (DE)	24422EVK2	3,999,676.62	3,620,360.00	4,000,000.00	02/01/21	01/15/26	1,809	0.77000%	0.70000%
22012	PUBLIC STORAGE (PSA)	74460WAA5	3,870,902.60	3,605,040.00	4,000,000.00	02/14/22	02/15/26	1,462	0.97000%	0.87500%
22037	BANK OF AMERICA CORP (BAC)	06048VW56	2,000,000.00	1,899,240.00	2,000,000.00	05/05/22	05/05/26	1,461	4.21000%	4.00000%
21063	BANK OF AMERICA CORP (BAC)	06048WM49	2,000,000.00	1,756,320.00	2,000,000.00	06/15/21	06/15/26	1,826	1.71000%	1.00000%
21081	BANK OF AMERICA CORP (BAC)	06048WN22	2,000,000.00	1,735,560.00	2,000,000.00	08/26/21	08/26/26	1,826	1.44000%	1.25000%
21106	JP MORGAN CHASE & CO (JPM)	48128G5U0	2,000,000.00	1,738,500.00	2,000,000.00	10/29/21	10/29/26	1,826	1.70000%	1.46000%
22011	HONEYWELL INTERNATIONAL (HON)	438516BL9	2,022,103.20	1,866,620.00	2,000,000.00	02/14/22	11/01/26	1,721	2.68000%	2.50000%
21120	PUBLIC STORAGE (PSA)	74460DAG4	3,489,355.32	3,145,360.20	3,495,000.00	12/03/21	11/09/26	1,802	1.67000%	1.50000%
21115	JP MORGAN CHASE & CO (JPM)	48130JZH1	4,000,000.00	3,426,320.00	4,000,000.00	11/30/21	11/30/26	1,826	1.75000%	1.50000%
22025	MASTERCARD INC	57636QAR5	4,022,536.82	3,807,200.00	4,000,000.00	04/12/22	03/26/27	1,809	3.47000%	3.30000%
22055	TSMC ARIZONA CORP	872899AF8	2,198,642.03	2,115,872.00	2,200,000.00	06/28/22	04/22/27	1,759	4.03000%	3.87500%
22056	BEVERLY HILLS CA PUBLIC FING	088006K96	1,650,946.23	1,582,956.00	1,800,000.00	06/28/22	06/01/27	1,799	1.51000%	1.32700%
23028	3M COMPANY (MMM)	88579YAY7	2,817,671.86	2,760,900.00	3,000,000.00	02/08/23	10/15/27	1,710	3.12000%	2.87500%
23029	UNITEDHEALTH GROUP (UNH)	91324PDE9	1,893,652.82	1,854,340.00	2,000,000.00	02/08/23	10/15/27	1,710	3.18000%	2.95000%
23027	PROCTER & GAMBLE (PG)	742718FZ7	2,990,460.65	2,943,690.00	3,000,000.00	02/08/23	01/26/28	1,813	4.03000%	3.95000%
TOTAL MEDIUM TERM NOTES			<u>100,298,349.30</u>	<u>93,649,838.20</u>	<u>100,495,000.00</u>	AVERAGE		<u>1.655</u>	<u>2.65547%</u>	<u>2.58081%</u>
TOTAL POOL INVESTMENTS			<u>393,556,295.26</u>	<u>370,655,693.07</u>	<u>393,779,653.37</u>					

Sutter County
Pooled Investment Portfolio
August 31, 2023



	BOOK VALUE	PERCENTAGE OF MANAGED PORTFOLIO	INVESTED % OF POOLED PORTFOLIO	AVERAGE DAYS TO MATURITY	AVERAGE YIELD
CAMP	\$36,324,061.49	9.23%	9.32%	1	5.52%
LOCAL AGENCY INVESTMENT FUND (COUNTY)	56,417.73	0.01%	0.01%	1	3.37%
LOCAL AGENCY INVESTMENT FUND (CEMETERY)	3,796,575.56	0.96%		1	3.37%
MONEY MARKET MUTUAL FUND	5,074,565.47	1.29%	1.30%	1	3.31%
CALTRUST	2,133,033.12	0.54%	0.55%	1	5.44%
MEDIUM TERM NOTES	100,298,349.30	25.49%	25.73%	795	2.16%
AGENCY NOTES	<u>245,873,292.59</u>	<u>62.47%</u>	<u>63.08%</u>	<u>909</u>	<u>1.87%</u>
TOTAL MANAGED INVESTMENTS	\$393,556,295.26	100.00%	100.00%	835	2.32%
LESS: LAIF FUNDS NOT POOLED	<u>3,796,575.56</u>	<u>0.96%</u>			
TOTAL POOLED INVESTMENTS	<u>\$389,759,719.70</u>	<u>99.04%</u>	<u>100.00%</u>	<u>835</u>	<u>2.32%</u>

Sutter County
Pooled Treasury Participants
August 31, 2023



The Pooled Treasury is comprised of 357 separate funds representing the County's General Fund, County Non-General funds, special districts, school districts, and funds collected and held for the various PACE programs that are authorized by the City of Yuba City.

At the close of business August 31, 2023, pool participants' cash and investment balances consisted of the following:

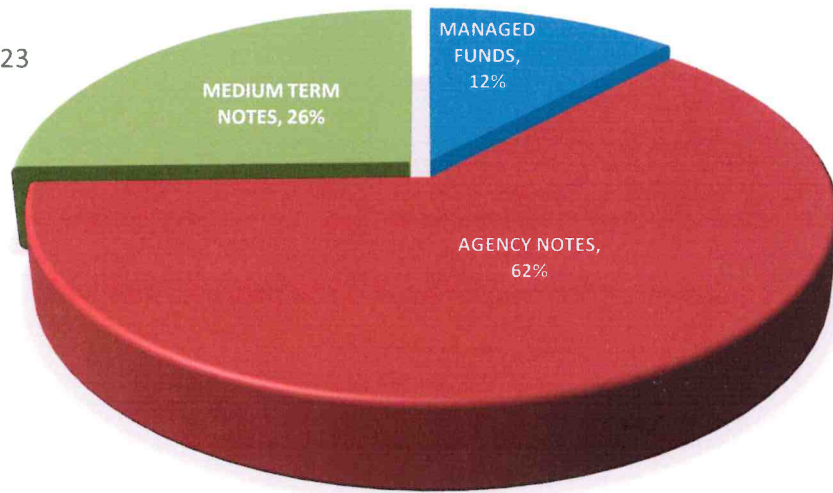
COUNTY GENERAL FUND	7.44%
COUNTY NON-GENERAL FUNDS	34.16%
SPECIAL DISTRICTS	7.45%
PACE	0.00%
SCHOOL FUNDS	<u>50.95%</u>

The pooled portfolio is comprised of three major classes of assets. As of August 31, 2023, agency notes made up 62%, medium term notes represented 26% and funds under management within the Local Area Investment Fund (LAIF), the California Asset Management Program (CAMP), Investment Trust of California (CalTRUST), and Five Star Bank completing the portfolio at 12%.

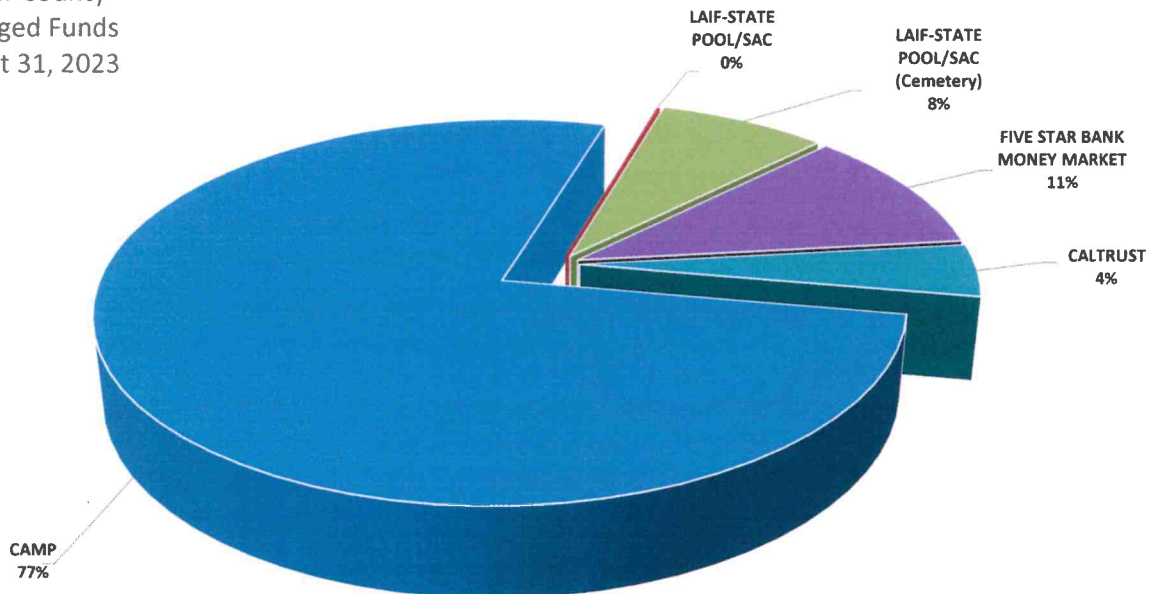
All assets are in compliance with the Sutter County Investment Policy and adhere to the requirements of California Government Code §53601-§53645 and §16429.1-§16429.3, which relate to the investing in the Local Area Investment Fund (LAIF)

Within the three major classes of assets the portfolio is further diversified, again, operating within the constraints of California Government Code and the Sutter County Investment Policy. The following charts provide a quick glance of the make-up of each category.

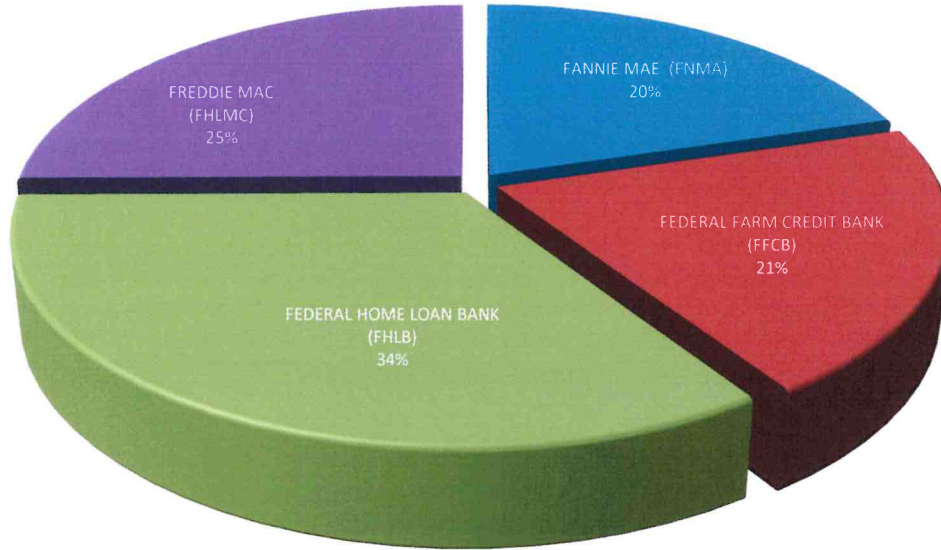
Sutter County
Investment Portfolio
Categories
August 31, 2023



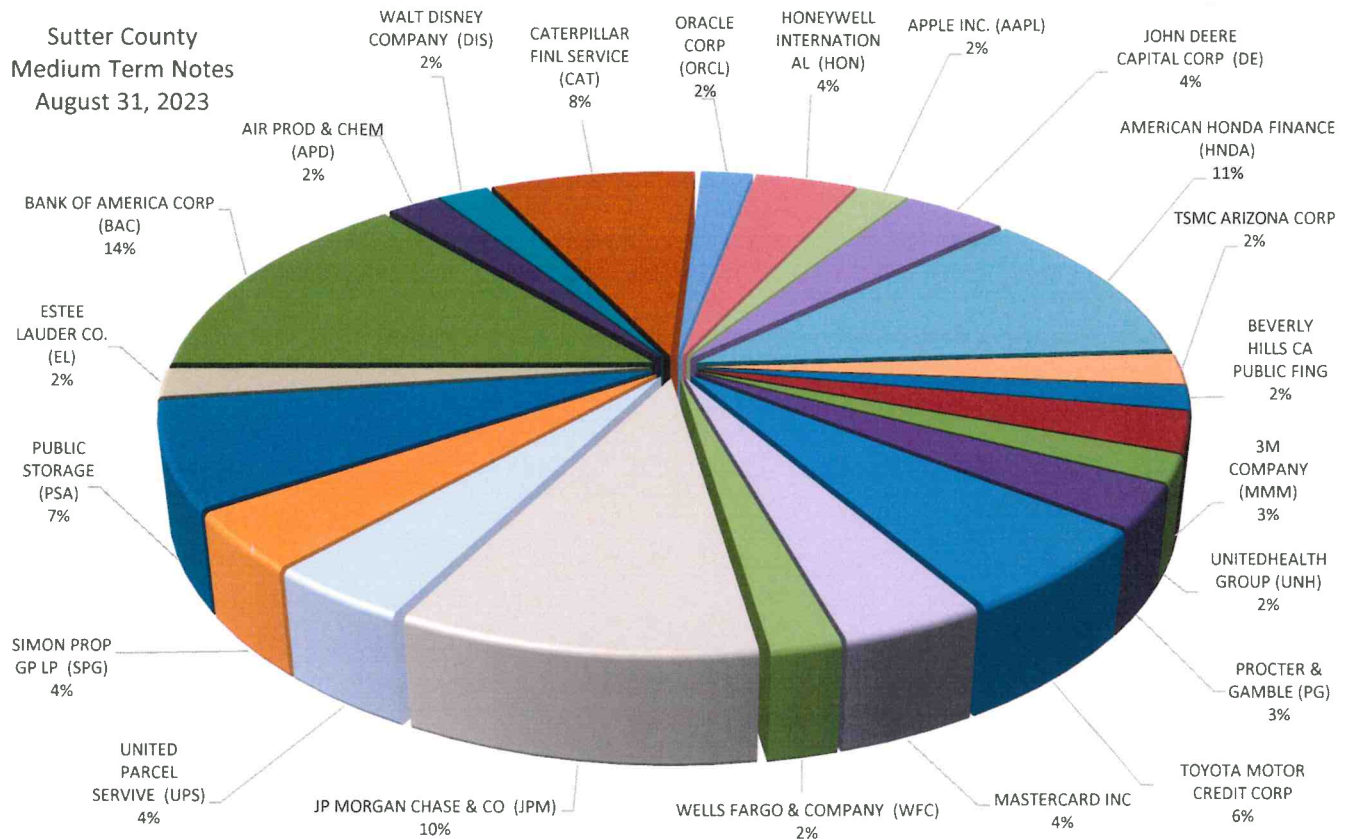
Sutter County
Managed Funds
August 31, 2023



Sutter County
Agency Notes
August 31, 2023

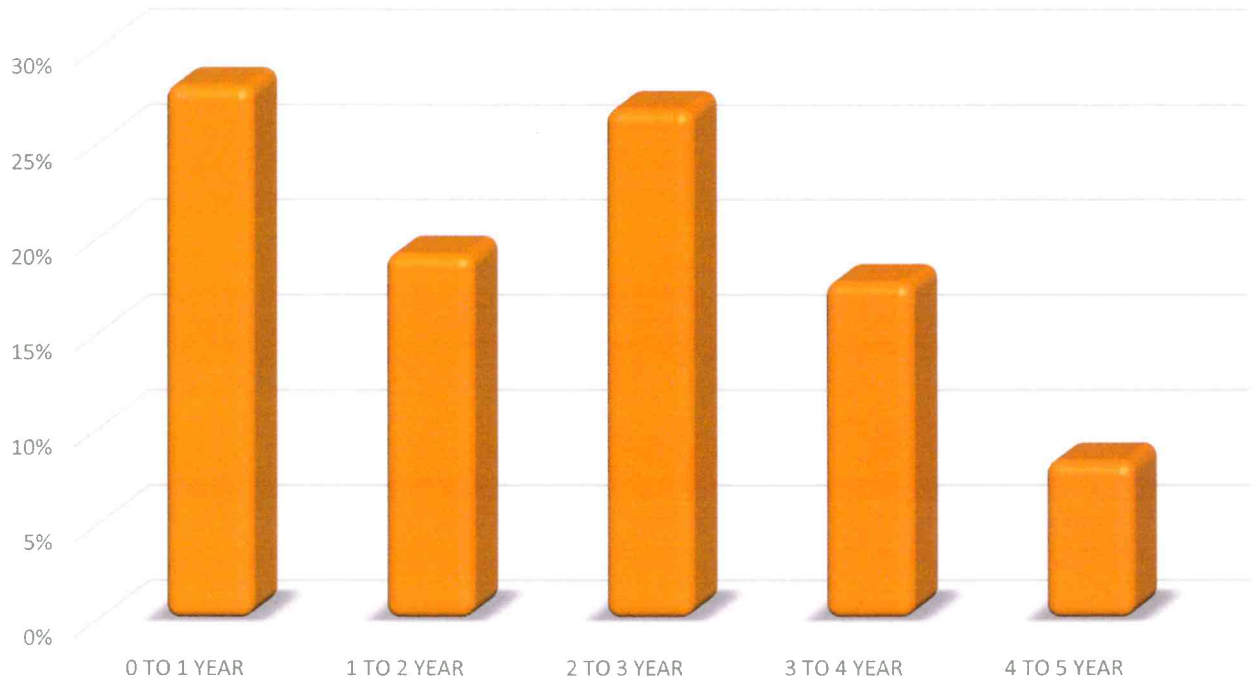


Sutter County
Medium Term Notes
August 31, 2023



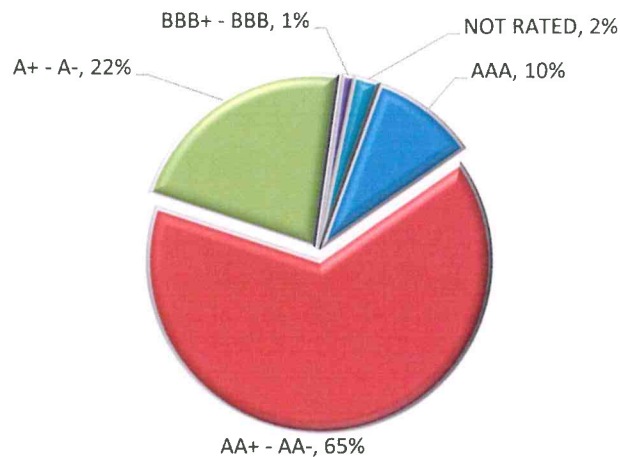
All investments conform to California Government Code §56301 with maturities of no more than five years.

Sutter County Pooled Portfolio Aging August 31, 2023



Investments in the pool must have a category rating of A or better at the time of purchase, as prescribed in the Sutter County Investment Policy, with the exception of LAIF, which is authorized in GC §16429.1-§16429.3.

Sutter County Pooled Portfolio Asset Ratings August 31, 2023



BOARD AGENDA ITEM: Donations

BOARD MEETING DATE: November 8, 2023

AGENDA ITEM SUBMITTED FOR:

- Action
- Reports/Presentation
- Information
- Public Hearing
- Other (specify)

PREPARED BY:

Maggie Navarro

SUBMITTED BY:

Ron Sherrod

PRESENTING TO BOARD:

Ron Sherrod

BACKGROUND AND SUMMARY INFORMATION:

<u>Donor</u>	<u>Value</u>	<u>Purpose</u>
Mari Reeve	\$40.00	Shady Creek

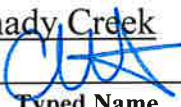
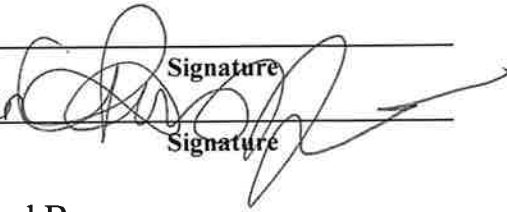


	<u>23-24 Year</u>	<u>Current Period</u>	<u>To Date</u>
Total Donations-Cash	\$0.00	\$40.00	\$40.00
Total Donations-Value	\$0.00	\$0.00	\$0.00
Total Donations	\$0.00	\$40.00	\$40.00

**SUTTER COUNTY SUPERINTENDENT OF SCHOOLS OFFICE
GIFT AND DONATION FORM**

Donor Identification	<input checked="" type="checkbox"/> Individual	<input type="checkbox"/> Business
----------------------	--	-----------------------------------

Donor Name: Mari Reeves Phone: _____
Address: P.O. BOX 883 City/State: Oregon House, CA Zip: 95962
Business only: Position: _____
Phone: _____ Type of Business: _____

Gift or Donation:	<input type="checkbox"/> Cash	<input checked="" type="checkbox"/> Check	Dollar Amount: \$ <u>40.00</u>
	<input type="checkbox"/> Other (List item below)		
Date of Donation:	<u>09/24/23</u>		

Intent of Gift or Donation: Donation
Working Condition: _____
Estimated Dollar Value \$40.00
Donated To (Site/Program): Shady Creek
Site/Program Administrator: 
Typed Name 
Signature
Asst. Superintendent/Director for Dept.: 
Typed Name 
Signature
Delivery Date: _____ Delivered By: _____
Received By: _____

For Business Office Use Only

Assistant Superintendent Business Services 
Signature

Revenue Code: _____

Review Comments: _____

Board Agenda Date: _____

BOARD AGENDA ITEM: Approval of Lease for Storage Space with Arch Investments,
LLC

BOARD MEETING DATE: November 8, 2023

AGENDA ITEM SUBMITTED FOR:

- Action
- Reports/Presentation
- Information
- Public Hearing
- Other (specify)

PREPARED BY:

Ron Sherrod

SUBMITTED BY:

Ron Sherrod

PRESENTING TO BOARD:

Ron Sherrod

BACKGROUND AND SUMMARY INFORMATION:

Approval of the lease with Arch Investments for additional storage space located at:

990 Klamath Lane, Building D, Suite 20-21
Yuba City, CA 95993



COMMERCIAL LEASE AGREEMENT

(C.A.R. Form CL, Revised 12/15)

Date (For reference only): October 4, 2023

ARCH INVESTMENTS LLC ("Landlord") and SUTTER COUNTY SUPERINTENDENT OF SCHOOLS ("Tenant") agree as follows:

1. PROPERTY: Landlord rents to Tenant and Tenant rents from Landlord, the real property and improvements described as: 990 KLAMATH LANE, BUILDING D SUITE 20-21, YUBA CITY, CA 95993 (APPROX. 2,000 SQFT) ("Premises"), which comprise approximately 19.530 % of the total square footage of rentable space in the entire property. See exhibit EXHIBIT A for a further description of the Premises.

2. TERM: The term begins on (date) November 1, 2023 ("Commencement Date"), (Check A or B):

[X] A. Lease: and shall terminate on (date) October 31, 2028 at 5 [] AM [X] PM. Any holding over after the term of this agreement expires, with Landlord's consent, shall create a month-to-month tenancy that either party may terminate as specified in paragraph 2B. Rent shall be at a rate equal to the rent for the immediately preceding month, payable in advance. All other terms and conditions of this agreement shall remain in full force and effect.

[] B. Month-to-month: and continues as a month-to-month tenancy. Either party may terminate the tenancy by giving written notice to the other at least 30 days prior to the intended termination date, subject to any applicable laws. Such notice may be given on any date.

[X] C. RENEWAL OR EXTENSION TERMS: See attached addendum ADDENDUM 1

3. BASE RENT:

A. Tenant agrees to pay Base Rent at the rate of (CHECK ONE ONLY):

[] (1) \$ per month, for the term of the agreement.

[] (2) \$ per month, for the first 12 months of the agreement. Commencing with the 13th month, and upon expiration of each 12 months thereafter, rent shall be adjusted according to any increase in the U.S. Consumer Price Index of the Bureau of Labor Statistics of the Department of Labor for All Urban Consumers ("CPI") for (the city nearest the location of the Premises), based on the following formula: Base Rent will be multiplied by the most current CPI preceding the first calendar month during which the adjustment is to take effect, and divided by the most recent CPI preceding the Commencement Date. In no event shall any adjusted Base Rent be less than the Base Rent for the month immediately preceding the adjustment. If the CPI is no longer published, then the adjustment to Base Rent shall be based on an alternate index that most closely reflects the CPI.

[] (3) \$ per month for the period commencing and ending and \$ per month for the period commencing and ending and \$ per month for the period commencing and ending.

[X] (4) In accordance with the attached rent schedule.

[] (5) Other:

B. Base Rent is payable in advance on the 1st (or []) day of each calendar month, and is delinquent on the next day.

C. If the Commencement Date falls on any day other than the first day of the month, Base Rent for the first calendar month shall be prorated based on a 30-day period. If Tenant has paid one full month's Base Rent in advance of Commencement Date, Base Rent for the second calendar month shall be prorated based on a 30-day period.

4. RENT:

A. Definition: ("Rent") shall mean all monetary obligations of Tenant to Landlord under the terms of this agreement, except security deposit.

B. Payment: Rent shall be paid to (Name) HELM PROPERTY MANAGEMENT at (address) P.O. BOX 3056 YUBA CITY CA 95992, or at any other location specified by Landlord in writing to Tenant.

C. Timing: Base Rent shall be paid as specified in paragraph 3. All other Rent shall be paid within 30 days after Tenant is billed by Landlord.

5. EARLY POSSESSION: Tenant is entitled to possession of the Premises on

If Tenant is in possession prior to the Commencement Date, during this time (i) Tenant is not obligated to pay Base Rent, and (ii) Tenant [] is [] is not obligated to pay Rent other than Base Rent. Whether or not Tenant is obligated to pay Rent prior to Commencement Date, Tenant is obligated to comply with all other terms of this agreement.

6. SECURITY DEPOSIT:

A. Tenant agrees to pay Landlord \$2,440.00 as a security deposit. Tenant agrees not to hold Broker responsible for its return. (IF CHECKED:) [] If Base Rent increases during the term of this agreement, Tenant agrees to increase security deposit by the same proportion as the increase in Base Rent.

B. All or any portion of the security deposit may be used, as reasonably necessary, to: (i) cure Tenant's default in payment of Rent, late charges, non-sufficient funds ("NSF") fees, or other sums due; (ii) repair damage, excluding ordinary wear and tear, caused by Tenant or by a guest or licensee of Tenant; (iii) broom clean the Premises, if necessary, upon termination of tenancy; and (iv) cover any other unfulfilled obligation of Tenant. SECURITY DEPOSIT SHALL NOT BE USED BY TENANT IN LIEU OF PAYMENT OF LAST MONTH'S RENT. If all or any portion of the security deposit is used during tenancy, Tenant agrees to reinstate the total security deposit within 5 days after written notice is delivered to Tenant. Within 30 days after Landlord receives possession of the Premises, Landlord shall: (i) furnish Tenant an itemized statement indicating the amount of any security deposit received and the basis for its disposition, and (ii) return any remaining portion of security deposit to Tenant. However, if the Landlord's only claim upon the security deposit is for unpaid Rent, then the remaining portion of the security deposit, after deduction of unpaid Rent, shall be returned within 14 days after the Landlord receives possession.

C. No interest will be paid on security deposit, unless required by local ordinance.

Landlord's Initials () ()

Tenant's Initials () ()



7. PAYMENTS:

	<u>TOTAL DUE</u>	<u>PAYMENT RECEIVED</u>	<u>BALANCE DUE</u>	<u>DUE DATE</u>
A. Rent: From <u>11/01/2023</u> To <u>11/30/2023</u> Date Date	\$ <u>1,980.00</u>	\$ _____	\$ <u>1,980.00</u>	<u>10/31/2023</u>
B. Security Deposit	\$ <u>2,440.00</u>	\$ _____	\$ <u>2,440.00</u>	<u>10/31/2023</u>
C. Other: <u>CAM 11/1/2023-11/30/2023</u> Category	\$ <u>460.00</u>	\$ _____	\$ <u>460.00</u>	<u>10/31/2023</u>
D. Other: _____ Category	\$ _____	\$ _____	\$ _____	_____
E. Total:	\$ <u>4,880.00</u>	\$ _____	\$ <u>4,880.00</u>	

8. **PARKING:** Tenant is entitled to _____ unreserved and _____ reserved vehicle parking spaces. The right to parking is is not included in the Base Rent charged pursuant to paragraph 3. If not included in the Base Rent, the parking rental fee shall be an additional \$ _____ per month. Parking space(s) are to be used for parking operable motor vehicles, except for trailers, boats, campers, buses or trucks (other than pick-up trucks). Tenant shall park in assigned space(s) only. Parking space(s) are to be kept clean. Vehicles leaking oil, gas or other motor vehicle fluids shall not be parked in parking spaces or on the Premises. Mechanical work or storage of inoperable vehicles is not allowed in parking space(s) or elsewhere on the Premises. No overnight parking is permitted.

9. **ADDITIONAL STORAGE:** Storage is permitted as follows: _____
The right to additional storage space is is not included in the Base Rent charged pursuant to paragraph 3. If not included in Base Rent, storage space shall be an additional \$ _____ per month. Tenant shall store only personal property that Tenant owns, and shall not store property that is claimed by another, or in which another has any right, title, or interest. Tenant shall not store any improperly packaged food or perishable goods, flammable materials, explosives, or other dangerous or hazardous material. Tenant shall pay for, and be responsible for, the clean-up of any contamination caused by Tenant's use of the storage area.

10. **LATE CHARGE; INTEREST; NSF CHECKS:** Tenant acknowledges that either late payment of Rent or issuance of a NSF check may cause Landlord to incur costs and expenses, the exact amount of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord. If any installment of Rent due from Tenant is not received by Landlord within **5 calendar days** after date due, or if a check is returned NSF, Tenant shall pay to Landlord, respectively, **\$200.00** as late charge, plus 10% interest per annum on the delinquent amount and \$25.00 as a NSF fee, any of which shall be deemed additional Rent. Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any late charge, delinquent interest, or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a Late Charge or NSF fee shall not be deemed an extension of the date Rent is due under paragraph 4, or prevent Landlord from exercising any other rights and remedies under this agreement, and as provided by law.

11. **CONDITION OF PREMISES:** Tenant has examined the Premises and acknowledges that Premise is clean and in operative condition, with the following exceptions: _____
Items listed as exceptions shall be dealt with in the following manner: _____

12. **ZONING AND LAND USE:** Tenant accepts the Premises subject to all local, state and federal laws, regulations and ordinances ("Laws"). Landlord makes no representation or warranty that Premises are now or in the future will be suitable for Tenant's use. Tenant has made its own investigation regarding all applicable Laws.

13. **TENANT OPERATING EXPENSES:** Tenant agrees to pay for all utilities and services directly billed to Tenant. WITH THE EXCEPTION OF WATER.

14. **PROPERTY OPERATING EXPENSES:**
A. Tenant agrees to pay its proportionate share of Landlord's estimated monthly property operating expenses, including but not limited to, common area maintenance, consolidated utility and service bills, insurance, and real property taxes, based on the ratio of the square footage of the Premises to the total square footage of the rentable space in the entire property. estimated NNN is \$.23 PSF for the year of 2023-2024. See Section 40.1

OR B. (If checked) Paragraph 14 does not apply.

15. **USE:** The Premises are for the sole use as _____
No other use is permitted without Landlord's prior written consent. If any use by Tenant causes an increase in the premium on Landlord's existing property insurance, Tenant shall pay for the increased cost. Tenant will comply with all Laws affecting its use of the Premises.

16. **RULES/REGULATIONS:** Tenant agrees to comply with all rules and regulations of Landlord (and, if applicable, Owner's Association) that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant do not, disturb, annoy, endanger, or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing, or transporting illicit drugs or other contraband, or violate any law or ordinance, or committing a waste or nuisance on or about the Premises.

17. **MAINTENANCE:**
A. Tenant OR (If checked, Landlord) shall professionally maintain the Premises including heating, air conditioning, electrical, plumbing and water systems, if any, and keep glass, windows and doors in operable and safe condition. Unless Landlord is checked, if Tenant fails to maintain the Premises, Landlord may contract for or perform such maintenance, and charge Tenant for Landlord's cost.
B. Landlord OR (If checked, Tenant) shall maintain the roof, foundation, exterior walls, common areas and _____

Landlord's Initials () () Tenant's Initials () ()

18. **ALTERATIONS:** Tenant shall not make any alterations in or about the Premises, including installation of trade fixtures and signs, without Landlord's prior written consent, which shall not be unreasonably withheld. Any alterations to the Premises shall be done according to Law and with required permits. Tenant shall give Landlord advance notice of the commencement date of any planned alteration, so that Landlord, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord's interest in the Premises. Landlord may also require Tenant to provide Landlord with lien releases from any contractor performing work on the Premises.
19. **GOVERNMENT IMPOSED ALTERATIONS:** Any alterations required by Law as a result of Tenant's use shall be Tenant's responsibility. Landlord shall be responsible for any other alterations required by Law.
20. **ENTRY:** Tenant shall make Premises available to Landlord or Landlord's agent for the purpose of entering to make inspections, necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. Landlord and Tenant agree that 24 hours notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord or Landlord's representative may enter Premises at any time without prior notice.
21. **SIGNS:** Tenant authorizes Landlord to place a FOR SALE sign on the Premises at any time, and a FOR LEASE sign on the Premises within the 90 (or _____) day period preceding the termination of the agreement.
22. **SUBLETTING/ASSIGNMENT:** Tenant shall not sublet or encumber all or any part of Premises, or assign or transfer this agreement or any interest in it, without the prior written consent of Landlord, which shall not be unreasonably withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void, and, at the option of Landlord, terminate this agreement. Any proposed sublessee, assignee, or transferee shall submit to Landlord an application and credit information for Landlord's approval, and, if approved, sign a separate written agreement with Landlord and Tenant. Landlord's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant of Tenant's obligation under this agreement.
23. **POSSESSION:** If Landlord is unable to deliver possession of Premises on Commencement Date, such date shall be extended to the date on which possession is made available to Tenant. However, the expiration date shall remain the same as specified in paragraph 2. If Landlord is unable to deliver possession within 60 (or _____) calendar days after the agreed Commencement Date, Tenant may terminate this agreement by giving written notice to Landlord, and shall be refunded all Rent and security deposit paid.
24. **TENANT'S OBLIGATIONS UPON VACATING PREMISES:** Upon termination of agreement, Tenant shall: (i) give Landlord all copies of all keys or opening devices to Premises, including any common areas; (ii) vacate Premises and surrender it to Landlord empty of all persons and personal property; (iii) vacate all parking and storage spaces; (iv) deliver Premises to Landlord in the same condition as referenced in paragraph 11; (v) clean Premises; (vi) give written notice to Landlord of Tenant's forwarding address; and (vii) _____.

All improvements installed by Tenant, with or without Landlord's consent, become the property of Landlord upon termination. Landlord may nevertheless require Tenant to remove any such improvement that did not exist at the time possession was made available to Tenant.

25. **BREACH OF CONTRACT/EARLY TERMINATION:** In event Tenant, prior to expiration of this agreement, breaches any obligation in this agreement, abandons the premises, or gives notice of tenant's intent to terminate this tenancy prior to its expiration, in addition to any obligations established by paragraph 24, Tenant shall also be responsible for lost rent, rental commissions, advertising expenses, and painting costs necessary to ready Premises for re-rental. Landlord may also recover from Tenant: (i) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination; (ii) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after expiration until the time of award exceeds the amount of such rental loss the Tenant proves could have been reasonably avoided; and (iii) the worth, at the time of award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided. Landlord may elect to continue the tenancy in effect for so long as Landlord does not terminate Tenant's right to possession, by either written notice of termination of possession or by reletting the Premises to another who takes possession, and Landlord may enforce all Landlord's rights and remedies under this agreement, including the right to recover the Rent as it becomes due.
26. **DAMAGE TO PREMISES:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repair or rebuilding. If Landlord elects to repair or rebuild, and is able to complete such restoration within 90 days from the date of damage, subject to the terms of this paragraph, this agreement shall remain in full force and effect. If Landlord is unable to restore the Premises within this time, or if Landlord elects not to restore, then either Landlord or Tenant may terminate this agreement by giving the other written notice. Rent shall be abated as of the date of damage. The abated amount shall be the current monthly Base Rent prorated on a 30-day basis. If this agreement is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of the Premises. If total or partial destruction or damage occurs as a result of an act of Tenant or Tenant's guests, (i) only Landlord shall have the right, at Landlord's sole discretion, within 30 days after such total or partial destruction or damage to treat the lease as terminated by Tenant, and (ii) Landlord shall have the right to recover damages from Tenant.
27. **HAZARDOUS MATERIALS:** Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation, or any clean-up of any contamination caused by Tenant.
28. **CONDEMNATION:** If all or part of the Premises is condemned for public use, either party may terminate this agreement as of the date possession is given to the condemner. All condemnation proceeds, exclusive of those allocated by the condemner to Tenant's relocation costs and trade fixtures, belong to Landlord.
29. **INSURANCE:** Tenant's personal property, fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is to carry Tenant's own property insurance to protect Tenant from any such loss. In addition, Tenant shall carry (i) liability insurance in an amount of not less than \$1,000,000.00 and (ii) property insurance in an amount sufficient to cover the replacement cost of the property if Tenant is responsible for maintenance under paragraph 17B. Tenant's insurance shall name Landlord and Landlord's agent as additional insured. Tenant, upon Landlord's request, shall provide Landlord with a certificate of insurance establishing Tenant's compliance. Landlord shall maintain liability insurance insuring Landlord, but not Tenant, in an amount of at least \$1,000,000.00, plus property insurance in an amount sufficient to cover the replacement cost of the property unless Tenant is responsible for maintenance pursuant to paragraph 17B. Tenant is advised to carry business interruption insurance in an amount at least sufficient to cover Tenant's complete rental obligation to Landlord. Landlord is advised to obtain a policy of rental loss insurance. Both Landlord and Tenant release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.

Landlord's Initials (_____) (_____)

Tenant's Initials (_____) (_____)



30. **TENANCY STATEMENT (ESTOPPEL CERTIFICATE):** Tenant shall execute and return a tenancy statement (estoppel certificate), delivered to Tenant by Landlord or Landlord's agent, within 3 days after its receipt. The tenancy statement shall acknowledge that this agreement is unmodified and in full force, or in full force as modified, and state the modifications. Failure to comply with this requirement: (i) shall be deemed Tenant's acknowledgment that the tenancy statement is true and correct, and may be relied upon by a prospective lender or purchaser; and (ii) may be treated by Landlord as a material breach of this agreement. Tenant shall also prepare, execute, and deliver to Landlord any financial statement (which will be held in confidence) reasonably requested by a prospective lender or buyer.

31. **LANDLORD'S TRANSFER:** Tenant agrees that the transferee of Landlord's interest shall be substituted as Landlord under this agreement. Landlord will be released of any further obligation to Tenant regarding the security deposit, only if the security deposit is returned to Tenant upon such transfer, or if the security deposit is actually transferred to the transferee. For all other obligations under this agreement, Landlord is released of any further liability to Tenant, upon Landlord's transfer.

32. **SUBORDINATION:** This agreement shall be subordinate to all existing liens and, at Landlord's option, the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this agreement, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this agreement, unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor elects to have this agreement placed in a security position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage, deed of trust, or ground lease, or the date of recording.

33. **TENANT REPRESENTATIONS; CREDIT:** Tenant warrants that all statements in Tenant's financial documents and rental application are accurate. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report at time of application and periodically during tenancy in connection with approval, modification, or enforcement of this agreement. Landlord may cancel this agreement: (i) before occupancy begins, upon disapproval of the credit report(s); or (ii) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.

34. **CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS:** Landlord states that the Premises has, or has not been inspected by a Certified Access Specialist. If so, Landlord states that the Premises has, or has not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code Section 55.53.

35. **DISPUTE RESOLUTION:**

A. **MEDIATION:** Tenant and Landlord agree to mediate any dispute or claim arising between them out of this agreement, or any resulting transaction, before resorting to arbitration or court action, subject to paragraph 35B(2) below. Paragraphs 35B(2) and (3) apply whether or not the arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

B. **ARBITRATION OF DISPUTES:** (1) Tenant and Landlord agree that any dispute or claim in Law or equity arising between them out of this agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 35B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05.

(2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from Mediation and Arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil Procedure §337.1 or §337.15 applies. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation and arbitration provisions.

(3) **BROKERS:** Tenant and Landlord agree to mediate and arbitrate disputes or claims involving either or both Brokers, provided either or both Brokers shall have agreed to such mediation or arbitration, prior to, or within a reasonable time after the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the agreement.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Landlord's Initials _____ / _____ Tenant's Initials _____ / _____

Landlord's Initials () ()

Tenant's Initials () ()



Premises: 990 KLAMATH LANE, BUILDING D SUITE 20-21, YUBA CITY, CA 95993 (APPROX. 2,000 SQFT) Date October 4, 2023

- 36. **JOINT AND INDIVIDUAL OBLIGATIONS:** If there is more than one Tenant, each one shall be individually and completely responsible for the performance of all obligations of Tenant under this agreement, jointly with every other Tenant, and individually, whether or not in possession.
- 37. **NOTICE:** Notices may be served by mail, facsimile, or courier at the following address or location, or at any other location subsequently designated:

Landlord: ARCH INVESTMENTS LLC
7668 El Camino Real #104-463, Carlsbad

Tenant: SUTTER COUNTY SUPERINTENDENT OF SCHOOLS
970 KLAMATH LANE
YUBA CITY, CA 95993
ASSISTANT SUPERINTENDENT OF BUSINESS SERVICES,
SCSOS 530-822-2900

Notice is deemed effective upon the earliest of the following: (i) personal receipt by either party or their agent; (ii) written acknowledgement of notice; or (iii) 5 days after mailing notice to such location by first class mail, postage pre-paid.

- 38. **WAIVER:** The waiver of any breach shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.
- 39. **INDEMNIFICATION:** Tenant shall indemnify, defend and hold Landlord harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Premises.
- 40. **OTHER TERMS AND CONDITIONS/SUPPLEMENTS:** "Tenant share of Common Area Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Landlord's estimate of annual Common Area Operating Expense. If Tenant's payments during such year exceed Tenant's share, Landlord shall credit the amount of such over-payment against Tenant's future payments. If the Tenant's payments during such year were less than Tenant's share, Tenant shall pay to Landlord the amount of the deficiency within 10 days after delivery by Landlord of the statement."

The following ATTACHED supplements/exhibits are incorporated in this agreement: Option Agreement (C.A.R. Form OA) _____

- 41. **ATTORNEY FEES:** In any action or proceeding arising out of this agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord or Tenant, except as provided in paragraph 35A.
- 42. **ENTIRE CONTRACT:** Time is of the essence. All prior agreements between Landlord and Tenant are incorporated in this agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this agreement. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.
- 43. **BROKERAGE:** Landlord and Tenant shall each pay to Broker(s) the fee agreed to, if any, in a separate written agreement. Neither Tenant nor Landlord has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as named in this agreement, in connection with any act relating to the Premises, including, but not limited to, inquiries, introductions, consultations, and negotiations leading to this agreement. Tenant and Landlord each agree to indemnify, defend and hold harmless the other, and the Brokers specified herein, and their agents, from and against any costs, expenses, or liability for compensation claimed inconsistent with the warranty and representation in this paragraph 43.
- 44. **AGENCY CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
 Listing Agent: _____ (Print Firm Name) is the agent of (check one):
 the Landlord exclusively; or both the Tenant and Landlord.
 Selling Agent: Helm Properties (Print Firm Name) (if not same as Listing Agent) is the agent of (check one):
 the Tenant exclusively; or the Landlord exclusively; or both the Tenant and Landlord.
 Real Estate Brokers are not parties to the agreement between Tenant and Landlord.

Landlord's Initials () ()

Tenant's Initials () ()



Landlord and Tenant acknowledge and agree that Brokers: (i) do not guarantee the condition of the Premises; (ii) cannot verify representations made by others; (iii) will not verify zoning and land use restrictions; (iv) cannot provide legal or tax advice; (v) will not provide other advice or information that exceeds the knowledge, education or experience required to obtain a real estate license. Furthermore, if Brokers are not also acting as Landlord in this agreement, Brokers: (vi) do not decide what rental rate a Tenant should pay or Landlord should accept; and (vii) do not decide upon the length or other terms of tenancy. Landlord and Tenant agree that they will seek legal, tax, insurance, and other desired assistance from appropriate professionals.

Tenant _____ Date _____
SUPER COUNTY SUPERINTENDENT OF SCHOOLS
(Print name)

Address _____ City _____ State _____ Zip _____

Tenant _____ Date _____
(Print name)

Address _____ City _____ State _____ Zip _____

GUARANTEE: In consideration of the execution of this Agreement by and between Landlord and Tenant and for valuable consideration, receipt of which is hereby acknowledged, the undersigned ("Guarantor") does hereby: (i) guarantee unconditionally to Landlord and Landlord's agents, successors and assigns, the prompt payment of Rent or other sums that become due pursuant to this Agreement, including any and all court costs and attorney fees included in enforcing the Agreement; (ii) consent to any changes, modifications or alterations of any term in this Agreement agreed to by Landlord and Tenant; and (iii) waive any right to require Landlord and/or Landlord's agents to proceed against Tenant for any default occurring under this Agreement before seeking to enforce this Guarantee.

Guarantor (Print Name) _____
Guarantor _____ Date _____
Address _____ City _____ State _____ Zip _____
Telephone _____ Fax _____ E-mail _____

Landlord agrees to rent the Premises on the above terms and conditions.

Landlord _____ Date _____
(owner or agent with authority to enter into this agreement) ARCH INVESTMENTS LLC

Address _____ City _____ State _____ Zip _____

Landlord _____ Date _____
(owner or agent with authority to enter into this agreement)

Address _____ City _____ State _____ Zip _____

Agency relationships are confirmed as above. Real estate brokers who are not also Landlord in this agreement are not a party to the agreement between Landlord and Tenant.

Real Estate Broker (Leasing Firm) Helm Properties DRE Lic. # 01428618

By (Agent) _____ DRE Lic. # 02140876 Date _____

Lucas Helm

Address 471 Century Park Drive City YUBA CITY State CA Zip 95991

Telephone (530)329-8336 Fax _____ E-mail Lucas@helmre.com

Real Estate Broker (Listing Firm) _____ DRE Lic. # _____

By (Agent) _____ DRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

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COMMERCIAL LEASE CONSTRUCTION ACCESSIBILITY ADDENDUM

(C.A.R. Form CLCA, 11/16)

This is an addendum to the Commercial Lease Agreement (lease) dated October 5, 2023 in which ARCH INVESTMENTS LLC is referred to as "Landlord" and SUPER COUNTY SUPERINTENDENT OF SCHOOLS is referred to as "Tenant". Paragraph 34 of the lease is deleted in its entirety and replaced by the following;

Paragraph 34. CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS:

- A. Landlord states that the Premises have, or have not been inspected by a Certified Access Specialist (CASp).
B. If the Premises have been inspected by a CASp, (1) Landlord states that the Premises have, or have not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code Section 55.53. Landlord shall provide Tenant a copy of the report prepared by the CASp (and, if applicable a copy of the disability access inspection certificate) as specified below. (2) (i) Tenant has received a copy of the report at least 48 hours before executing this lease. Tenant has no right to rescind the lease based upon information contained in the report. OR (ii) Tenant has received a copy of the report prior to, but no more than, 48 hours before, executing this lease. Based upon information contained in the report, Tenant has 72 hours after execution of this lease to rescind it. OR (iii) Tenant has not received a copy of the report prepared by the CASp prior to execution of this lease. Landlord shall provide a copy of the report prepared by the CASp (and, if applicable a copy of the disability access inspection certificate) within 7 days after execution of this lease. Tenant shall have up to 3 days thereafter to rescind the lease based upon information in the report.
C. If the Premises have not been inspected by a CASp or a certificate was not issued by the CASp who conducted the inspection, "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."
D. Notwithstanding anything to the contrary in paragraph 17, 18, 19 or elsewhere in the lease, any repairs or modifications necessary to correct violations of construction related accessibility standards to the Premises are the responsibility of Tenant, Landlord, Other.

Tenant (Signature) Date

Tenant (Print name) SUPER COUNTY SUPERINTENDENT OF SCHOOLS

Tenant (Signature) Date

Tenant (Print name)

Landlord (Signature) Date

Landlord (Print name) ARCH INVESTMENTS LLC

Landlord (Signature) Date

Landlord (Print name)

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Reviewed by





ADDENDUM No. 1
(C.A.R. Form ADM, Revised 12/21)

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, OR [] Residential Lease or Month-to-Month Rental Agreement, [] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [X] Other Commercial Lease Agreement, dated October 5, 2023, on property known as 990 Klamath Lane Suite 20-21 Yuba City, CA 95993 ("Property/Premises"), in which SUPER COUNTY SUPERINTENDENT OF SCHOOLS is referred to as ("Buyer/Tenant") and ARCH INVESTMENTS LLC is referred to as ("Seller/Landlord"). Buyer/Tenant and Seller/Landlord are referred to as the "Parties."

1. Rent Schedule:

Table with 4 columns: Term, Mo/Base, Mo/NNN, Mo/Total. Rows for Year 1 to Year 5.

2. Tenant has one (1) option to renew for five (5) years with rent starting at three (3) percent over the previous years rent and continuing to increase three (3) percent on an annual basis. Tenant to give notice of renewal ninety (90) days before lease expiration.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this Addendum.

Buyer/Tenant SUPER COUNTY SUPERINTENDENT OF SCHOOLS Date

Buyer/Tenant Date

Seller/Landlord ARCH INVESTMENTS LLC Date

Seller/Landlord Date

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BOARD AGENDA ITEM: Approval of Lease Extension with Coscarat Living Trust

BOARD MEETING DATE: November 8, 2023

AGENDA ITEM SUBMITTED FOR:

PREPARED BY:

Action

Ron Sherrod

Reports/Presentation

SUBMITTED BY:

Information

Ron Sherrod

Public Hearing

PRESENTING TO BOARD:

Other (specify)

Ron Sherrod

BACKGROUND AND SUMMARY INFORMATION:

Approval of Lease Extension with Coscarat Living Trust that currently accommodates training and meeting space located at:

950 Tharp Road, #1100
Yuba City, CA 95993

The extension increases the duration through December 31, 2025 which converts to a month-to-month lease thereafter.



The following terms and conditions are hereby incorporated in and made a part of the Residential Lease [X] other 56 Page Gateway Business Park Lease ratified 04-05-2018. Attached for reference. ("Lease"), dated April 1, 2018, on property known as 950 Tharp Rd. #1100 Yuba City, CA. 95993 ("Premises"), in which Sutter County Superintendent of Schools is referred to as ("Tenant") and Coscarat Living Trust is referred to as ("Landlord").

Note to Landlord: If the Premises are subject to any rent increase cap under any state or local law, Landlord is strongly advised to seek counsel from a qualified California real estate lawyer, who is familiar with the law where the property is located, prior to using this form to modify any of the existing terms of the Lease.

The terms of the tenancy are changed as follows. Unless otherwise provided, the change shall take effect on the date the Lease was scheduled to terminate.

- 1. EXTENSION OF TERM: The scheduled termination date is extended to December 31, 2025 (Date).
2. Rent shall be \$ See attached addendum #2 - 10-20-2023 per month.
3. Security deposit shall be increased by \$ No changes.
4. [] Rent Cap and Just Cause Addendum (C.A.R. Form RCJC) is attached and incorporated into the Lease.
5. ADDITIONAL TERMS: All other terms and conditions to remain the same as indicated in Lease dated 04-01-2018 except as noted in the attached addendum #2 dated 10-20-2023.

By signing below, Tenant and Landlord acknowledge that each has read, understands, and received a copy of and agrees to the terms of this Extension of Lease.

Tenant Sutter County Superintendent of Schools Date
Tenant Date
Landlord Coscarat Living Trust Date
Landlord Date

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Reviewed by Date





ADDENDUM No. 2
(C.A.R. Form ADM, Revised 12/21)

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, OR [] Residential Lease or Month-to-Month Rental Agreement, [] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [X] Other Gateway Business Park Lease ratified 04-05-2018, dated October 20, 2023, on property known as 950 Tharp Rd. #1100 Yuba City, CA. 95993 ("Property/Premises"), in which Sutter County Superintendent of Schools is referred to as ("Buyer/Tenant") and Coscarat Living Trust is referred to as ("Seller/Landlord"). Buyer/Tenant and Seller/Landlord are referred to as the "Parties."

1. This addendum #2 Supersedes and replaces Addendum #1 signed and dated 04-25-2022.

2. Lease rent to continue at the same current rate of \$8,620.00 per month through lease extension period of 12-31-2025. Tenant/Lessee may terminate any extension period by furnishing at least a 90-day written notice of its intention to vacate.

3. Tenant/Lessee - (Sutter County Superintendent of schools) has the option to continue to lease the subject property at the same monthly rent of \$8,620.00 for up to an additional 24 months after December 31st. 2025.

4. Tenant/Lessee - (Sutter County Superintendent of schools) has a second option to continue to lease the subject property for an additional 24 months, after the first option extension has been exercised and prior to expiration date of December 31st. 2027. Said option would have a 3% per month rent increase for this 2nd option period starting December 31st. 2027.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this Addendum.

Buyer/Tenant Sutter County Superintendent of Schools Date

Buyer/Tenant Date

Seller/Landlord Coscarat Living Trust Date

Seller/Landlord Date

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BOARD AGENDA ITEM: Approval of Lease Extension with Myriad Capital LLC

BOARD MEETING DATE: November 8, 2023

AGENDA ITEM SUBMITTED FOR:

PREPARED BY:

X Action

Ron Sherrod

 Reports/Presentation

SUBMITTED BY:

 Information

Ron Sherrod

 Public Hearing

PRESENTING TO BOARD:

 Other (specify)

Ron Sherrod

BACKGROUND AND SUMMARY INFORMATION:

Approval of Lease Extension with Myriad Capital LLC that currently accommodates training and office space for Sutter County One Stop located at:

950 Tharp Road, #1000
Yuba City, CA 95993

The extension increases the duration through December 31, 2025 which converts to a month-to-month lease thereafter.

EXTENSION OF LEASE # 2

950 Tharp Road #1000
Yuba City, CA

Myriad Capital LLC (lessor) and Sutter County Superintendent of Schools (lessee) hereby agree to extend the terms of that certain Gateway Business Park lease dated January 1, 2018, covering 950 Tharp Road Bldg #1000 Yuba City, CA ("the Lease") for an additional 27 months with all other terms and conditions of the Lease remaining in full force and effect. The rent schedule for the 27-month extension is as follows:

Months	Base Rent/Sq. Ft.	Base Monthly Rent
April 2025 – December 2025	\$1.38	\$9,395.04
January 2026 – June 2027	\$1.42	\$9,667.36

Beginning January 1, 2026 the tenancy of the property will convert to month-to-month occupancy, subject to 4 months' written notice to terminate occupancy. Failure to provide 4 month notice to terminate will result in early lease termination fees as outlined in the Lease .

AGREED AND ACCEPTED: LESSOR:
MYRIAD CAPITAL LLC
A California Limited Liability Company

Date: 10/30/23 By: Christina Florence
Christina Florence
Its: Manager

LESSEE:
SUTTER COUNTY SUPERINTENDENT OF SCHOOLS OFFICE
Date: _____ By: _____

Its: _____